

Drink, drugs, and gambling are on the increase. Louise Jury reports



Habit forming: About one in five children describe themselves as regular smokers by the time they reach their mid-teens. Nearly all wanted to give up. Photograph: Pete Grout

Affluent lifestyle leading children into temptation

Britain's teenagers are smoking more, buying more lottery tickets and experience the greatest ever exposure to drugs.

According to the latest findings from the Schools Health Education Unit of Exeter University, nearly a third of 14 and 15-year-olds had smoked at least one cigarette in the last week, the highest figure recorded in the 10 years the unit has been monitoring young people.

By the age of 13, 40 per cent of the boys and half the girls had tried smoking

And the National Lottery is proving a new temptation to young people with a quarter of 14 and 15-year-old boys and 16 per cent of 12 and 13-year-olds admitting spending cash on it in the last week.

The survey of 24,000 children aged 10 to 15 confirmed a lifestyle of increasing affluence - reflected in smoking, gambling and other leisure activities.

There is increasing access to drugs with the numbers experimenting with some illegal substance rising fivefold between

1989 and last year. Three-quarters of children over the age of 11 now say they know a drug user.

Nearly a third of mid-teen boys and a quarter of girls have tried cannabis at least once. Around one in 12 has tried LSD or another hallucinogen. Six per cent of the 12 and 13-year-olds had tried cannabis.

By the age of 13, 40 per cent of boys and half the girls have tried smoking. Sixteen per cent of boys and 22 per cent of girls in the mid-teen bracket called themselves regular smokers. Nearly all wanted to give up.

A fifth of 14 and 15-year-old girls were able to buy cigarettes from a shop and 23 per cent of the boys purchased alcohol from an off-licence.

Almost half the boys drank beer or lager during the previous week with 7 per cent drinking more than 21 units. Nine per cent of the girls drank 14 units or more, until recently the Government's maximum recommended limit.

Dr David Regis, one of the researchers, said: "Sometimes our figures are used to indulge in young-people bashing.

But overall, youngsters are moderate. They're experimenting with things a bit sometimes, but getting on with their lives reasonably successfully and turning into the cheerful successful adults.

The changes from last year are pretty marginal, but since 1986 there have been lots of changes, including some dramatic changes.

The exposure to illegal drugs is the highest it's ever been," Dr Regis said.

Although fewer teenagers now do part-time work than five years ago, perhaps reflecting a greater pressure from exams, a third of teenagers do some

part-time work to pay for their indulgences with some earning more than £30 a week.

The discrepancy found between the sexes in adult pay is reflected in gender variations even at this stage - older boys earn a typical £13.46 a week

compared to £11.73 for girls. Twelve and 13-year-old boys make an average £8.86 a week and the girls £7.45.

Two-thirds of the teenage girls and more than a third of boys sometimes fear being physically attacked and 30 per cent of 14 and 15-year-old boys and 17 per cent of the girls sometimes carry protection when they go out.

The girls most commonly carry a personal alarm but some carry knives.

While girls are obsessed with how they look, they dislike the sport or physical activity which might make a difference to the physique.

Boys are more sporty, but almost half of those in their mid-teens had spent time the previous evening playing games on the computer rather than the playing field. Watching television is the most popular evening activity.

Girls worry about their weight more than boys, with half wanting to shed a few pounds compared with a quarter of the boys.

They are also keener on healthy eating, but many simply miss meals instead of eating carefully.

Almost a fifth of 14 and 15-year-old schoolgirls have nothing at all for breakfast on a school day and a third have nothing to eat. Twelve per cent asked had eaten no lunch on their previous day at school.

Another change is the capacity to spend money. "Own-

ership and control of money has changed which has an effect on the whole area of growing-up skills.

It opens up doors to opportunities and risks. Smoking or drinking and drugs are very expensive. Having more money provides an opportunity to engage in risky behaviour."

But not all the changes are negative. "My guess is that the hygiene levels among boys are

Boys are more sporty, but almost half spent time on the computer rather than the playing field

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Conference season: As the party faithful gather for the last time before the election, Anthony Bevins looks at their hopes and fears

Rallying the troops for the ultimate test



Talking point: Delegates trying to get permission to speak at last year's Labour conference in Brighton, from which the leadership emerged undefeated. Party managers are not so sure they will be able to repeat the feat in Blackpool next week.

Ashdown aims for positive impression

Liberal Democrats - Brighton: 22-26 September.

Slogan: Take Courage for the Future

The big aim: To present a positive purpose to voting Liberal Democrat, by persuading people that they are distinct from the other two parties and have something different to offer.

There will be no encouragement of tactical voting; the message is that if the voters want a change in national politics, a vote for the Liberal Democrats is the surefire way of achieving that, because they would exert pressure on a Labour government to deliver its promises for constitutional change. However, ambivalence creeps in when senior Liberal Democrats are asked about Conservative candidates in marginal seats. Last week, one high-level source said: "If people can work out another way of getting rid of the Tories ... then they might well vote Labour?"

Who are these people? The happy mythological days of open-toed sandals, socks and cagoules, worn indoors, are long gone; purged by the influx of Social Democrats in suits. Local government success, and the power it has brought, has created a much more professional activist base.

Stage management: The Liberal Democrats are traditionally useless at this. Issues like drugs, gay lib and prostitution seem to

have the same magnetic appeal as they have for the tabloid newspapers that traditionally use such debates to depict the activists as a bunch of fruitcakes.

Disaster zones: The main agenda is as controlled as any party debate could dream of, with debates on issues like "Indicators of sustainable development"; "Conserving tomorrow"; "Investing in excellence"; and "Cleaning up the mess in politics." But there is space for two emergency motions where embarrassment might slip through. The media will also be hunting for diversionary stories about what role Mr Ashdown would play in a hung Parliament.

Policy initiatives: The Liberal Democrats are as good at re-cycling policy as they are at newsprint, glass and other waste. The debate on "Conserving tomorrow" includes reaffirmation of the pledge to phase in a carbon tax and a 21% a year investment in energy conservation; on education, the party promises "early years" schooling for all three and four-year-olds whose parents want it, along with "work to reduce" all primary school classes to fewer than 30 pupils. The housing policy paper offers a mortgage benefit for those on low incomes, funded by a phase-out of mortgage interest tax relief.

Who are these people? If Labour delegates, like the party leadership, have moved to the

Low life: All conferences have their junkets and parties, but the Liberal Democrat conference directory contains a cornucopia



Labour - Blackpool: 30 September-4 October.
Slogan: New Labour, New Life for Britain.

The big aim: To win endorsement for the draft manifesto, *New Labour, New Life for Britain*. Once the conference has agreed to the document, it will go out for one-member, one-vote blessing by the party membership. But the conference will be addressing a wider audience - the electorate at large - and much time will therefore be spent selling the five core pledges on education, crime, health, unemployment and the economy.

Who are these people? While the serried ranks of union barons retain all the fluidity of

quick-set concrete, there has been significant change in the power and personality of constituency delegates.

Last year, the constituencies accounted for only 30 per cent of conference voting strength. This year, an increase in membership has triggered an increase in constituency power, to give grass-roots delegates a 50-50 share of votes with the unions. But new rules have brought a noticeable influx of people who would not wish to spend one week every October attacking the treachery and betrayal of socialism by Labour leaders.

Stage management: Last year's conference was marked by the total absence of defeat for the leadership, but party sources are unsure of their ability to pull off

such a coup again. Their pessimism has been increased by the confrontation between the party and union leaderships who have the undoubted power to make mischief.

Disaster zones: A leadership source recently told *The Independent* that the party was in the business of turning every crisis into an opportunity. Thus the repeated hits with the unions during Blackpool's Trades Union Congress, were used to show that Labour was no longer in the

unions' pockets. Equally, conference defeats could be turned to show that the leadership was standing firm against spending commitments that might smack of tax increases.

But there is a risk - that splits

could dominate the media coverage to the point at which Labour dismally turns voters off. Danger points include the possibility of a repudiation of the leadership's decision to dump an uprating of pensions in line with earnings; a demand for a figure on the minimum wage; and a revolt against Gordon Brown's child benefit plans.

Policy initiatives: Labour is saturated with policy, and the greatest problem is refining it to a point where it becomes digestible - which is the purpose of the *New Life* document.

Low-life: Trade union bashes and regional party functions, like Welsh night, are very popular and therefore hard to gatecrash. Certainly, the beer flows in greater quantities at Labour conferences, though Liberal Democrats tend to stay up later.

Highlights: The big set-piece Blair speech will take place first thing on Tuesday afternoon, and the thing to watch out for is the way in which the party tries to damp down any sign of over-confidence. Party strategists and Mr Blair himself, do not believe election victory is by any means in the bag. But how does a man with a 20-point lead in the polls paint himself as underdog? The way in which Mr Blair tempers his natural enthusiasm with modesty should be a trick worth watching out for.

Blair sets sights on wider audience

Labour

Conservatives - Bournemouth: 8-11 October.

Slogan: Life is better with the Conservatives.

The big aim: To come out of the conference season with a Labour lead that is slipping. The party command will drive home the message that after more than 17 years of Tory government, things are beginning to get better, with rising living standards, and that a change to Labour could ruin it. Having established that negative foundation, ministers will start to bolt on the added-value - the vision for a fifth term of government.

Who are these people? If Labour delegates, like the party leadership, have moved to the

centre of political life, Conservative representatives have become more right wing. The fringe meetings of men like Michael Portillo, John Redwood and Norman Tebbit show a fervour that is absent from the other two parties; it is a fascinating sight, often more interesting than the conference itself. While there have always been right-wing extremes at conference - the Right became mainstream, even legitimate, under Margaret Thatcher and that has survived her departure.

Stage management: The Tories are past-masters at this, but that has never meant perfection.

Disaster zones: Conservative frustrations inside the conference itself all-too-often find redress through the virulence of debate on the fringe. Europe

again dominates the extra-curricular activities, and the party's very real divisions on this issue appear to be more pervasive and more damaging than anything any other party can offer.

Policy initiatives: For this reason alone, it is imperative that the party creates diversionary publicity. While party bosses will want to keep their surprises up their sleeves, they have already floated the notion of the Prime Minister's support for the "hard-working class," which seems to mean that those on benefit should work for it, and youngsters who offend should be subjected to curfews. Apparently, these ideas are to be packaged as the sort of "non-nonsense values" that key working-class voters will share.

Low life: The balls, whether organised by the Young Conservatives or the Federation of Conservative Students, who express their libertarian feelings with the kind of exhibitionism that would attract a life sentence if Michael Howard had his way and if the perpetrators were not just high-spirited Tories letting off a bit of steam.

Highlights: The appearance of Baroness Thatcher to bestow her blessing on John Major, and the leader's speech. Not so much the speech itself, but the US-style build-up - with distributed flags and bunting, hyped-up videos and all the accoutrements of a mass hysteria - that then tends to get flattened by the weight of words and the leaden manner of delivery.

The news at 10.00, 10.15, 10.45, 11.12, Midnight or 3a.m.

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Poll finds mystery meltdown of state aid

DAVID WALKER

A survey of public attitudes towards the welfare state showed high levels of support for increasing pensions and other benefits, though *Reader's Digest*, which commissioned the study, sought to present the findings as evidence of a welfare "crisis".

The monthly magazine, part of an American conglomerate publishing in 48 countries, claims a UK readership of 6.1 million. It said the data proved the welfare state was destined for "meltdown".

Using language remarkably similar to that of the *Tory front bench*, Russell Twiss, the editor, said: "There is widespread public awareness of crisis."

However MORI, which interviewed a national sample of some 2,000 people in July, told a different story. The opinion poll organisation said the survey showed only that the public was divided over the amount spent on welfare benefits. A majority of people thought the levels of pensions, child and unemployed benefit were either too low or about right.

There was support for reform in certain areas, for example "workfare", or linking payment of the dole to work requirements. Equally, there was support for unconditional increases in universal benefits.

When they were told spending on welfare and social security running at £90bn a year, or about a third of all public spending, nearly two-thirds of the public responded that that seemed either too little or was about right. Only a third said it was too much.

Not surprisingly, more Tory than Labour supporters thought too much was spent on welfare. MORI confirmed what the annual British Social Attitudes and other surveys have found: "While in theory many would

like the spending on state subsistence to be minimised, in practice it is accepted legitimate claimants should not have their benefit lowered."

Most people thought old age pensions were inadequate. Understandably, given how far they are from retiring, a higher proportion of teenagers and young adults thought the state pension for a single person of £61.15 a week was right.

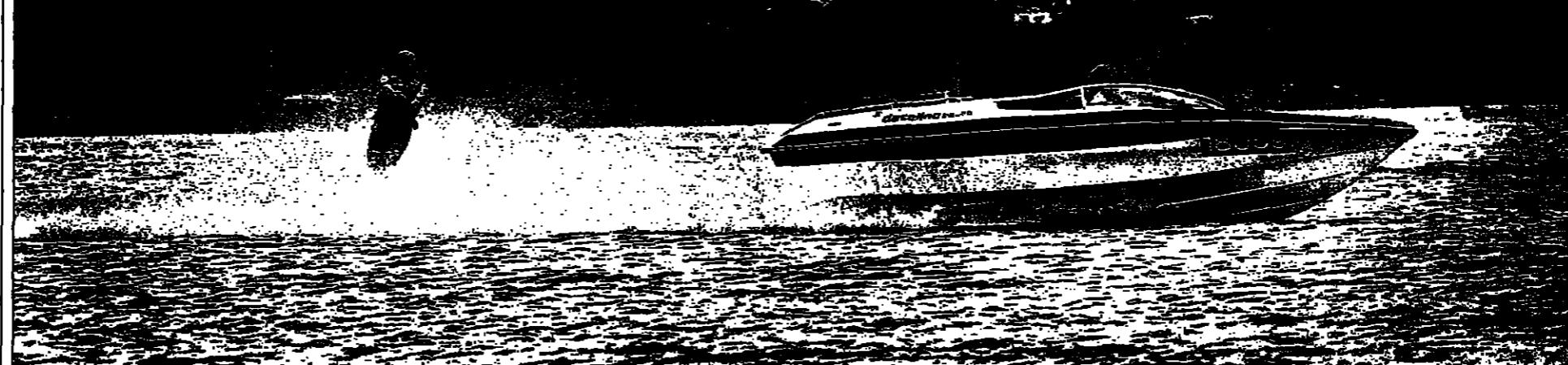
Gordon Brown, the Shadow Chancellor, who wants to cut child benefit for the better-off, may take comfort from the finding that, by a slight majority, Labour supporters favour limiting child benefit to those with low incomes.

Labour is also likely to pay special attention to MORI's consistent finding that Scots consistently favour higher levels of welfare payment: would they continue to be as generous if the entirety of such payments had to be met from Scottish taxes?

Proposals for changing or even expanding benefits won support. More than 85 per cent of people thought there should be tax concessions to women who stayed at home to look after young children. A clear majority thought the long-term unemployed should have to do community or other work to qualify for the dole: the region with most resistance to the idea was the North-east.

More than three people in five rejected the notion that state pensions should be limited to those without an adequate private pension though MORI noted that attitudes towards pensions among the young were hard to measure since many had not thought about them.

There was strong support for tough action against social-security fraud though that turned out to be based on exaggerations of how much lost.



Power surge: The attempt to ban speed boats on Lake Windermere has led to fighting talk of minority interests and a "pig-headed" park authority

Photograph: Tom Pilston

Park chiefs steer power boat row to court

The Lake District National Park is expected to decide today to mount a legal challenge to John Gummer, the Secretary of State for the Environment, in the latest round of its fight to rid Lake Windermere of power boats.

Mr Gummer angered park officers, board members and conservationists last month when he refused to confirm a bylaw for a 10mph speed limit on England's largest lake. The decision contradicted a recom-

mendation by the independent inspector, Alan Alesbury, who conducted a 13-week public inquiry and concluded there was a "fundamental problem of incompatibility" with fast power boats, which affected public safety.

John Tothill, the park's senior officer, said he was "appalled" and accused Mr

Gummer of "giving in" to a small minority who deterred other people from using the lake by the "hostile conditions" they created.

But the strong feeling is reciprocated. David Maclean, the Minister of State at the Home Office and MP for Penrith, has attacked the park authority as "pig-headed", and said

power boats to canoes, and children paddling on the shore. Many accidents can happen, with, for instance, the collision of canoists with water skiers.

Today the park board is expected to accept lawyers' advice and authorise an application to the High Court for judicial review of Mr Gummer's decision.

The Secretary of State's refusal to confirm the bylaw, say counsel advising the board, was "manifestly defective in law". The park spent £500,000

on its case for the public inquiry. Its declining grant from the Government this year is £2.7m. Taking Mr Gummer to court could cost another £20,000.

For Ian Brodie, secretary of the Friends of the Lake District, the disclosure that Mr Gummer overruled the inspector adds insult to injury. "This is not democracy, but politics," Mr Brodie said. "Mr Maclean is saying that commercial interests and a few MPs rule the roost."

Pressure on Blair over £100,000 benefit cut-off

JOHN RENTOU
Political Correspondent

changes, and now faces a £1bn bill to buy-off a conference revolt on pensions.

It emerged yesterday that the Labour leader and Gordon Brown, the Shadow Chancellor, had discussed a figure of £100,000 a year as the income above which people with

children aged between 16 and 18 would lose child benefit. But they rejected the idea of naming a figure because it would invite questions about their plans for income tax.

Mr Brown said last week that Labour would make the "relevant financial decisions" on taxes, benefits and public spending "after the Conservative Budget [in November] and in our manifesto".

But, as Labour delegates prepare to gather in Blackpool this weekend, Mr Brown now faces a bill for up to £1bn a year as the price of heading off a rebellion on pensions.

Harriet Harman, Labour's social security spokeswoman, is today writing to union leaders to plead with them not to back the proposals by Baroness Castle, a party idol, to restore

cent of conference votes, that Lady Castle's plan would be paid for out of the £3.5bn state subsidy to company pension funds, which could cost union members £50 a year.

Ms Harman told GMTV: "I am confident that the Labour Party conference will agree that the first priority of a Labour government and a Labour social security secretary of state must be the poorest pensioners."

She stressed Labour's aim that all pensioners should get the social security benefits to which they are already entitled. But that could require up to £1.6bn a year more in income support, housing benefit and help with council tax, according to Department of Social Security figures.

Ms Harman warns the unions, which still hold 50 per

entitled to," a spokeswoman for Ms Harman said.

But the money would have to

be found from somewhere, which could disrupt Labour's tax plans, which are now close to being finalised. It is clear that Labour would not seek to reverse any tax cuts made by Kenneth Clarke, the Chancellor, in November, that National Insurance will not be imposed on earnings above £33,600 a year, and that the current starting point of the 40p-in-the-pound top rate of income tax, about £30,000 a year, will stay.

What is not yet finally decided is whether a new 50p tax rate will be imposed on incomes over about £100,000 a year and whether a new starting rate of 15p on the first slice of taxed earnings will be proposed, or simply offered as an aspiration.

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New crackdown on child porn on the Internet

CHARLES ARTHUR
Science Editor

The Government will today try to assuage growing fears about child pornography on the Internet, by lending its weight to an industry initiative which it says will both protect children and help catch lawbreakers.

Though it forms at most a minuscule proportion of the data



Tom Sackville: Promising Government commitment

available on the network, child pornography has become a cause célèbre for those interested in imposing controls on the rapidly-growing system, which is largely unaffected by national boundaries.

Government and the Internet industry have been working hard to come up with proposals that can offer real protection to Net users, while preserving free speech and recognising its value for work, education and

leisure," said Ian Taylor, the science and technology minister. The new initiative, called Safety Net, has been devised by Peter Dawe, who became a millionaire through his ownership of Piper, a company offering connection to the Internet for the public. Mr Dawe sold the company earlier this year, and has since been working on the new ideas.

Today's meeting follows another a fortnight ago between Government, the police and companies offering public access to the Internet. Police had warned that about 150 of the network's 15,000-odd discussion groups, or newsgroups, could hold obscene material.

In the UK, it is an offence to store obscene images on a computer. But companies argue that they should be immune from prosecution because the equivalent of several encyclopaedias is sent to newsgroups every day, making it impossible to monitor material.

The new proposals are expected to include the use of "self-rating" systems on pages on the World Wide Web, the fastest-growing part of the network. A rating system would attach a software "tag", like a film rating, to pages. If children tried to view an adult page, software on their computer would stop the connection. Similarly, unrated pages would be assumed to be unsuitable.

The Government's commitment to the scheme will be reflected by the presence today of



"Like a swimming jewel": A koi admired by judges at a show in Sheffield at the weekend. Photograph: Peter Byrne

Koi has them hooked

"THERE'S a Japanese phrase, 'Koi kichi'. That's me - Koi crazy," said Gregory Peck, as he leaned over a vat of water to admire his expensive Japanese carp. "They're like swimming jewels."

Mr Peck, 47, was a judge at the North of England Koi Chapter's first show, held in Sheffield at the weekend. The group, formed in November, is affiliated to Zen N Nippon Arinkai, Japan's association for koi-lovers. Mr Peck, a nightclub entrepreneur from Manchester and president of the Chapter, "fell in love" with koi 20 years ago and keeps 30 in a pond in his garden.

Paul Smith, 36, a bus driver from Doncaster, said of koi-keeping: "It's a way of life. You get hooked. My job is really stressful. When I come home I'm ready to rip someone's head off. But once I've sat by my pond for 10 minutes I totally unwind."

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Children die in the poverty trap

ADRIAN BRIDGE
Budapest

The growing problem of infanticide in Hungary has come under the spotlight because of a gruesome case involving a 26-year-old woman who gave birth to her third child earlier this month and burned it to death.

Police say the woman, who has not been identified, was living in poverty with an alcoholic husband and felt unable to cope with the newborn, whom she covered with a blanket and set fire to in her courtyard. The woman's mother raised the alarm when she discovered some of the baby's bones. Police were unable to say whether it had been a girl or boy.

Later last month, a Budapest woman was arrested after admitting to the killing of two of her babies. In testimony to police, the woman, a former social worker, said that she had killed both babies, her fourth and fifth, shortly after giving birth and that she had dumped the most recent in a rubbish bin.

According to official figures, at least 54 Hungarian babies or infants have been killed over the past two years by parents who feel they cannot afford them, an average of one every two weeks. The problem is hardly new, but it has been exacerbated since the fall of communism by sweeping economic reforms which have left many people living below the poverty line.

"The majority of cases involve young uneducated girls frequently without husbands who see killing their babies as the only way out," said Gyorgy Kolmann, deputy director of Budapest's Institute for Child and Youth Protection.

Mr Kolmann says infanticide is a problem throughout the former East bloc, but it is accentuated in Hungary, a country which boasts one of the highest suicide rates in the world.

Bonn calls for court to enforce monetary union

SARAH HELM
Dublin

The European Court of Justice should be given powers to enforce the rules of economic and monetary union, Theo Waigel, the German finance minister, said at the weekend.

Mr Waigel's comments – intended to assuage German fears about the loss of the Deutschmark – will bolster Conservative Euro-sceptics claims that Britain, if it decides to join a single currency, would be forced to cede powers over tax and public spending.

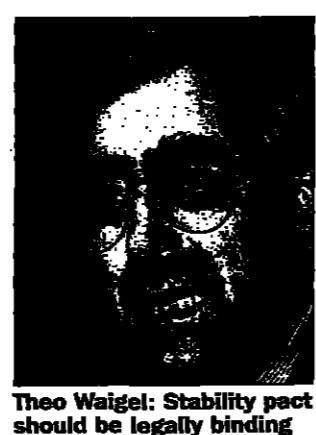
The remarks could strengthen in the hand of the Tory right, which wants the Prime Minister, John Major, to rule out British membership of EMU in the run up to the election. But the Chancellor, Kenneth Clarke, speaking after a meeting of EU finance ministers in Ireland, made his clearest declarations to date: EMU was going to happen and Britain ought to be part of it.

"I get the feeling ever more clearly that it is going to go ahead. We are contemplating the creation of a Euro zone inside the EU in the next three or four years," the Chancellor said. Asked whether Britain would suffer discrimination if it did not join the projected 1999 launch, Mr Clarke said: "I think the single currency could offer prospects of stability, low interest rates, and a zone of economic conditions which attract inward investment and stimulate growth of trade."

However, Mr Clarke insisted that if Britain entered the single currency, there would be "no question" of handing powers of tax and public spending to Brussels. Britain would reject

any attempt to override "the normal parliamentary procedures of independent nation states, which is what we are going to remain", he added.

Mr Waigel's comments suggested that the true picture would be, at least, blurred.



Theo Waigel: Stability pact should be legally binding

Both men were speaking after ministers had agreed the principle of a "stability pact", under which countries inside EMU would be fined if they let their budget deficits rise above the agreed levels. Should a country's deficit rise above the 3 per cent level suggested in the Maastricht treaty, the country would have to submit a revised budget for the approval of an EU "stability council", which might be made up of finance ministers of single-currency countries.

Should that country not correct its finances within a year, it would face a sliding scale of fines.

Mr Waigel said for the first time that the rules of the "stability pact" must be "legally binding". He said Germany would insist that if a member state failed to comply with the

Preparations have already been made for construction of a new exchange rate mechanism for countries which do not qualify for entry in the first phase.

In Dublin, however, the mood appeared transformed. Predictions of growth brought renewed hope that meeting the Maastricht convergence criteria might not be such a struggle after all. Furthermore, it became clear that Europe's leaders will be prepared to interpret those criteria "flexibly".

The European Commission signalled that it would agree to a French manoeuvre, aimed at cutting the deficit in 1997, with a one-off payment of funds from France Telecom. It had been widely predicted that Germany would view the diversion of funds as a "judging" of the economic criteria. However, Mr Waigel said in Dublin he had no objection.

In the past week, Mr Simitsis has made attempts to live up to his campaign with some Papandreou-style rhetoric. Having tried and failed to win over the Greek people with pledges of prudent financial management, he has spent the last few days handing out thousands of extra places at state universities.

Greece, the poorest country in the European Union, has to pick up the tab for years of extravagance and corruption and needs a political leader strong enough to convince the people that the sacrifices looming are worth it. Neither Mr Simitsis nor Mr Evert entirely fits the bill, and both are both sitting on tenuous perches within their respective parties.

Young hopeful: An Athenian places a New Democracy party flag on a poster of leader Miltiades Evert. Photograph: Reuters

Exit polls spell relief for socialists

ANDREW GUMBLE

The ruling socialist party, Pasok, took a strong early lead in yesterday's Greek general election, according to three separate television exit polls. Although commentators urged caution, the findings came as an enormous relief to the Prime Minister, Costas Simitis, who had gambled on an early election to emerge from the shadow of the party's long-time leader, Andreas Papandreou, who died in June.

When he called the snap election last month, more than a year ahead of schedule, Mr Simitis was confident of an easy victory, reckoning that a new popular mandate would give

him the authority he needed to push through unpopular austerity measures and tighten his grip over Pasok.

But Mr Simitis's quiet, professorial manner – a contrast to Papandreou's populist tub-thumping – has failed to enthuse the voters, and Pasok has lost ground both to its main conservative rival, New Democracy, and to a number of left groups.

The last opinion poll, held before yesterday's election showed Pasok struggling to stay above 30 per cent, leaving the party still marginally ahead of New Democracy but not by enough to be sure of victory. New Democracy's previously rather unimpressive leader, Miltiades Evert, has run an effi-

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Scientists rewrite Australian pre-history

ROBERT MILLIKEN

Sydney

Scientists were still trying to come to grips last night with claims by a group of Australian scientists to have discovered the world's oldest rock art, together with evidence that humans have inhabited Australia for up to 100,000 years longer than was earlier believed.

While a number of other scientists expressed scepticism, the Australian team of three men and one woman stuck by their claim that their discoveries will force a rewriting of pre-history. Their research is to be published in December in *Antiquity*, the British archaeological journal, and was disclosed at the weekend in *The Sydney Morning Herald*.

The scientists made their discoveries at Jim Jim, one of the remotest places in the Australian outback. There, among the parched scrub, they found large rock faces embedded with more than 6,000 engraved circles. The team dated the engravings at between 58,000 and 75,000 years old. But their most controversial claim centres on artefacts and ochre that they found embedded in sediment beneath the ground next to the rock engravings. Using a technique known as thermoluminescence, the scientists concluded that the ochre could be 116,000 years old and the artefacts up to 176,000 years old.

If the latest claims are correct, it means that humans first occupied Australia some 76,000 years before the time when *Homo sapiens* is thought to have emerged from Africa, about 100,000 years ago.

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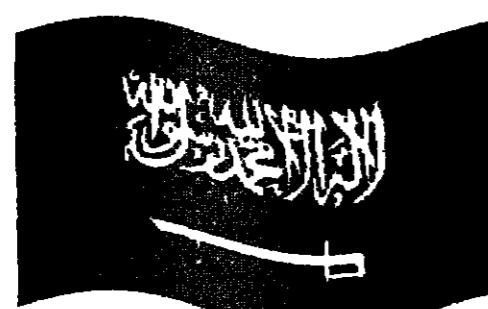
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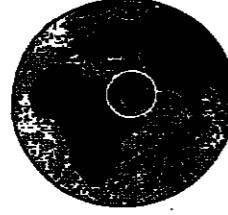


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Rwanda racked by genocide of stealth

AVID ORR

Kigali, Rwanda

The hills of north-western Rwanda might appear a haven of peace, but in recent months hundreds of people have been murdered here.

The rising number of attacks by guerrillas has led some to claim the 1994 genocide, in which 500,000 people died, continues to this day. Also causing concern among human-rights monitors are repressive counter-insurgency operations in which hundreds of unarmed civilians have been killed by government troops in recent months.

The hatred which gave rise to the genocide two years ago is still tearing apart this Central African nation. Despite the pending of hundreds of millions of pounds by the international community and the presence of thousands of United

terahamwe (an extremist Hutu militia) was responsible.

"The Interahamwe came in the evening when we were asleep," said Deline Mukamunsoni. "They broke into our house, saying they were going to kill us for talking to the military. They shot four people dead, including my father. I ran out with my baby and hid in the bushes. I know the names of the two men who led them to our house. I can no longer live here; they could come back for me at any time."

Mrs Mukamunsoni had denounced the two men who had murdered her mother and grandfather during the genocide. What frightens her is that the militiamen had come from over the border with the specific intention of killing her family and that they were given directions to the house by neighbours. She has recently moved to another commune.

Also being targeted are local officials, often Hutus deemed traitors for working with the Tutsi-dominated government. HRFOR said three dozen local officials were assassinated in July and August, almost certainly by Hutu insurgents.

The army's response has been to launch massive and "cordon and search" operations, rounding up as many as 10,000 people in the mainly Hutu populated countryside.

In the course of the past three months, hundreds of civilians have been shot by soldiers and dozens of others led away, not to be seen again by their families.

"There needs to be serious concern about the level of killing by the Rwandan army," said Ian Martin of the UN Centre for Human Rights.

"We're convinced that a lot of unarmed people are being killed. It's impossible to tell how many are collaborators – but even if they are, they shouldn't be considered legitimate targets unless they're posing an actual threat. There must be an investigation into what the army is doing."

The government defends its swoops as legitimate security operations, insisting that many Hutus are openly collaborating with the infiltrators. Few dare to speak out against the army: in recent months three Hutu mayors in the north-west have been persecuted as never before by government, but commanding record prices by the week.

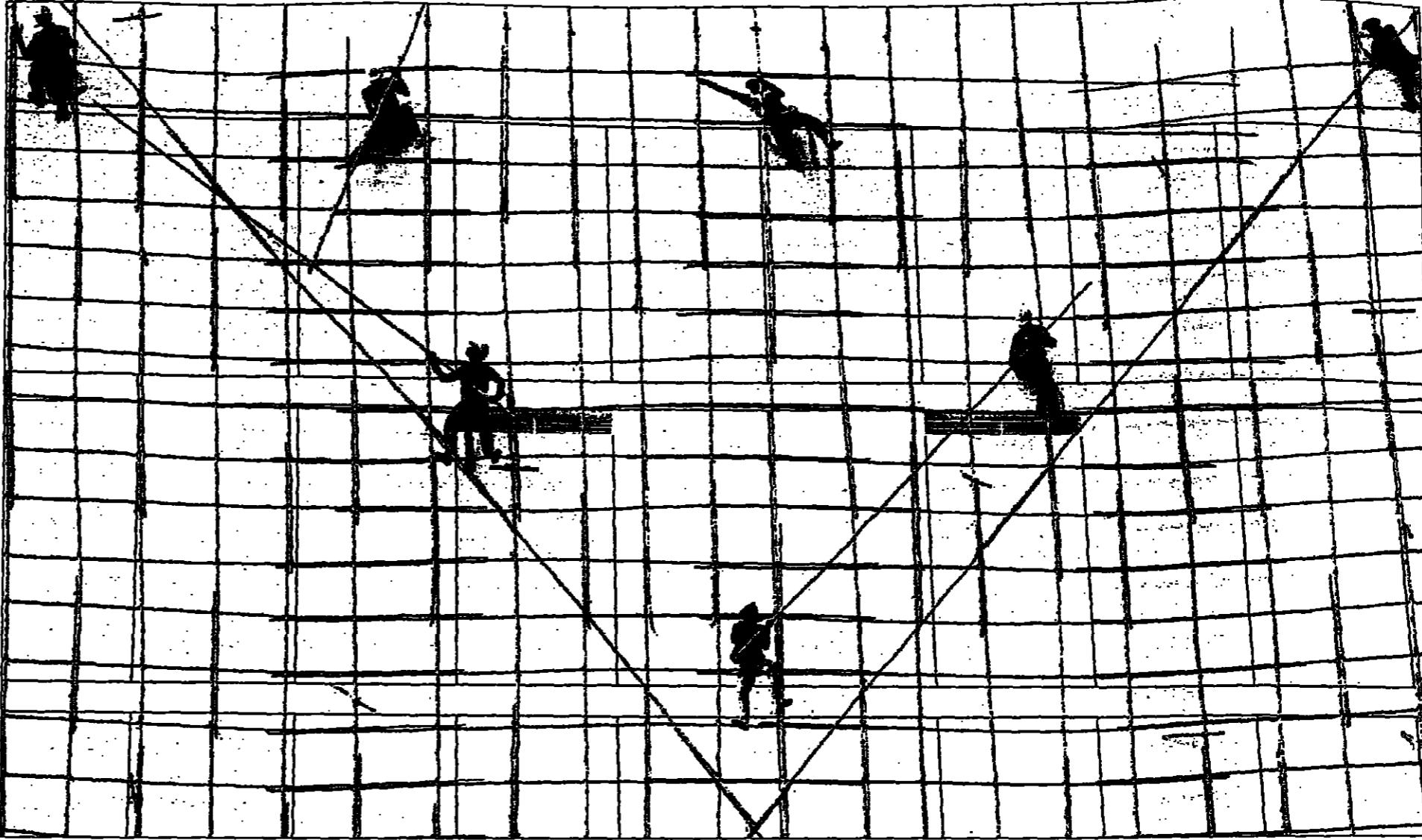
'They said they were going to kill us for talking to the military. They shot four people'

United Nations and aid-agency personnel, the two ethnic communities seem no near reconciliation. Reports by UN human-rights observers indicate that not only have the massacres continued but that of late they have increased.

North-western Rwanda has become a battleground for extremists from the Hutu majority and soldiers of the Tutsi-dominated army: of 283 killings last month documented in a just-released report by the UN Human Rights Operation in Rwanda (HRFOR), more than 200 occurred in the north-west. Nearly all of those who died were unarmed civilians, both Hutus and Tutsis.

Among those being targeted by the guerrillas are Tutsi survivors of the genocide who might testify against those who committed atrocities. In one attack at the end of June, 28 Tutsis, among them 16 genocide survivors, were killed in Gisenyi prefecture. It is believed the in-

Hong Kong's high-rise spidermen unravel a building from web of bamboo



Construction workers in Hong Kong form a triangle as they dismantle a web of bamboo scaffolding from a new building in the colony's Central district

Photograph: Reuter

Tobacco barons smoke out the enemy

CAROLINA DAYS

In Winston-Salem, tobacco runs in the blood. "Ain't no baco, be a ghost town round here," mutters one grizzled old farmer as he surveys proceedings, a cigarette clamped between his lips. An exaggeration, given North Carolina's booming and increasingly diversified economy. But the weed still accounts for one in 11 jobs in the state, and this town is built on the stuff. Or more exactly, on the RJ Reynolds Tobacco Company, founded in 1875.

The one distinction of an "Anywhere USA" skyline is RJR's 22-storey headquarters, built in 1927 in the Art Deco style and reputedly the inspiration for the Empire State Building in New York. Winston-Salem is surely the only town anywhere to have given its name to two best-selling cigarette brands (remember those 1968 advertisements, how the menthol Salem's "gently air-soften each puff for a taste that's country-soft. Take a puff – it's springtime"?).

A marketing pitch like that would be a category one felony today, when RJR's chief executive is accused of lying to Congress, when each week brings a billion-dollar lawsuit and a fresh anti-smoking ser-

mon from the President, and the government seeks to classify tobacco as a dangerous drug.

You sense the siege mentality instantly in Whitaker Park, on the northern edge of the city, its fountains and gardens providing the setting for a state-of-the-art factory capable of turning out 275 million cigarettes a day, one fifth of all the tobacco consumed in the US. A prim, tight-faced woman took me on the standard 30-minute tour of the plant, not deviating from her prepared script, even for the most in-

nocuous of questions. Afterwards you get an RJR pen, a disposable fold-out ashtray, an RJR book of matches, "and would you like a complimentary pack of cigarettes, sir?"

At the New Deal warehouse, however, there is no trace of defensiveness. Everyone assumes the Clinton administration's assault is an election-year ploy to win votes in other states (though assuredly not in North Carolina). "We haven't suffered any problems yet," says Stewart Pruitt, who runs a 12-acre farm near Pilot Mountain,

north of Winston-Salem. "Of course if that goes on, it could change. But the whole thing is political; it's not as if tobacco is hurting people who don't know. Everyone knows it harms." The 32,000lb of tobacco he'll sell in 1996 will fetch \$60,000.

Sam Young, manager of the 37 million pounds of sales allocated by the federal government to the Winston-Salem region, cannot remember when prices were so high for so long. But even he wonders what is going on as the companies no longer even pretend to compete on the bidding. "They contend there's a world shortage of tobacco, and of course the hurricane [Fran, which ravaged

North Carolina earlier this month] didn't help. But these high prices may be a deliberate way of telling the farmers and the industry, don't worry, we're behind you."

And so the tobacco wars continue. Whatever happens in the US, humankind's fondness for the weed is, if anything, increasing. As the sunlight shafts down from windows as through the stained glass of a cathedral, the warehouse seems a church, and his business eternal. Out on the floor Chuck Jordan pursues his mantra: "Who'll give me ninety-one, ninety-two... ninety-two, ninety-two..."

Rupert Cornwell



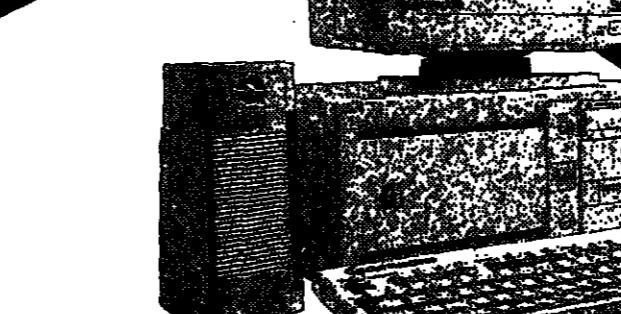
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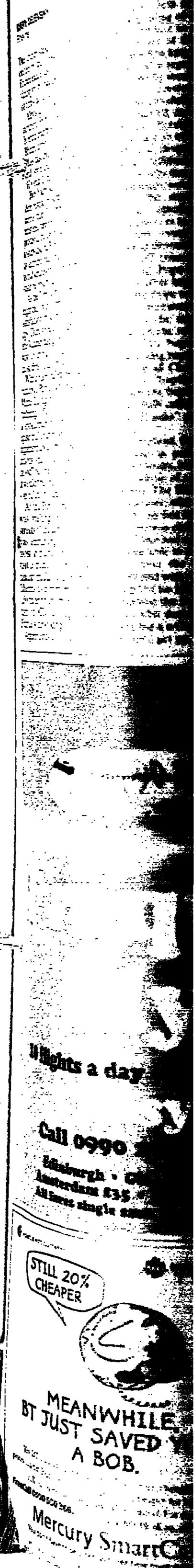
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SA old guard blocks black judge

MARY BRAID
Johannesburg

South Africa's white judicial establishment is making a shrill and concerted effort to block the appointment of the country's first black chief justice. One hundred judges, including 10 of the 11 on the Appeal Court, have come out against Ismail Mahomed, the first black appointee to the Supreme Court and a member of the new Constitutional Court. The white judges, almost all appointed in the apartheid era, are backing Hennie van Heerden, the most senior member of the Appeal Court.

Bhutto killing sparks unrest

Larkana (Reuter) - Demonstrators fought police yesterday outside the ancestral home of Murtaza Bhutto, the last male scion of Pakistan's leading political clan, whose death on Friday threatens to plunge the country into renewed political turbulence.

Murtaza, 42, estranged brother of the Prime Minister, Benazir Bhutto, died in a hail of police bullets outside his Karachi home. Police said his bodyguards, seven of whom also died, fired first. Murtaza supporters blocked the road with burning tyres yesterday and chanted slogans accusing Ms Bhutto's husband, Asif Ali Zardari, of conspiring to kill their leader.

Members of the divided Bhutto political dynasty came together to pay respects to Murtaza. His death has shaken Ms Bhutto, who inherited the leadership of the Pakistan People's Party (PPP) from their father, the former prime minister Zulfikar Ali Bhutto, after his hanging in 1979.

His mother, Nusrat, accom-

panied by Ms Bhutto and another daughter, Saman, laid red roses on Murtaza's grave yesterday. Nusrat issued a statement saying Murtaza's death was part of a conspiracy against the Bhutto family. She denied reports that she had implicated Benazir and her husband. Nusrat also lost another son, Shahrukh, who died, possibly

poisoned, in France in 1985. Opposition politicians have also accused Ms Bhutto and her husband of being responsible for Murtaza's death. Ms Bhutto's government prided itself on what it saw as restoration of a semblance of peace to Karachi, where a struggle with ethnic militants of the Mohajir National Movement (MQM) cost 2,000

lives last year. Now the leeway Ms Bhutto gave the security forces against the MQM appears to have rebounded. "The Karachi police, a creation of the present government, has become a Frankenstein," said the Nation yesterday.

Last year Murtaza formed a splinter faction of the PPP. He spent 16 years in exile, mainly in Syria, at the head of Al-Zulfiqar, a group accused of hijacking a Pakistani airliner in 1981. He returned home in 1993 to face charges arising from his struggle against President Zia ul-Haq, who executed his father. He was freed on bail after seven months.

Murtaza's PPP- Shehaz

issues, said Mr Mailer. Another commentator agreed. "The truth is that few judges on the bench embrace the new culture of human rights and are hostile to change."

But no one would dispute that the President's indication of preference to the Judicial Services Commission (JSC) was unhelpful to Judge Mahomed. Although the appointment of the chief justice ultimately lies with the President, he is supposed to consult the JSC and the Cabinet first.

Criticism of Mr Mandela's support for Judge Mahomed was a smokescreen for the real

Supreme Court Judge Reij van Schalkwyk resigned recently, he said affirmative-action appointments were one reason.

Despite Mr Mandela's indiscretions, at least South Africa now has a mechanism for wide consultation about the chief justice's post, and nominations can come from all ranks of the bench. Before, the chief justice was appointed from the ranks of the Appeal Court.

The new transparency includes public hearings next week at which both candidates will be questioned by the Judicial Services Commission. An appointment is to be made before the end of the year.

Samper's jet crew held over significant shorts

US carrier set to leave Gulf as Iraq backs off

Eleven crew members from the Colombian President's jet were being detained and questioned yesterday in an effort to determine who put 3.7 kilos (8.2lbs) of heroin aboard the aircraft.

The heroin was discovered

on Friday after an anonymous telephone tip, and President Ernesto Samper opted to fly by commercial jet on Saturday to New York, where he is to deliver an anti-drug speech to the United Nations General Assembly today. The government suggested the drug was planted aboard the Boeing 707 to embarrass Mr Samper, who won election in 1994 with \$6m (£4m) in drug contributions but was cleared by Congress in June of corruption charges. AP - Bogota

Tension rises in Lebanon

Saudis behead four Nigerians

Four Nigerian men were beheaded in Mecca for robbing a gold store, the Saudi Arabian interior Ministry said. They said the US, French, Syrian, Lebanese and Israeli delegates adjourned the meeting to 'Tuesday' in Naqoura, to weigh a complaint by Beirut that Israel shelled civilian areas in south Lebanon on Thursday.

Israel said it would complain that Hezbollah guerrillas fired on its forces from three villages that day. Reuter - Beirut

Sri Lankan troops attack

Sri Lankan troops, backed by tanks, artillery and air support, launched a fresh attack on the heartland of Tamil Tiger rebel territory, military officials said. It was the first major push for more than a month by the Sri Lankan security forces, who had dug in north of the rebel-held northern town of Kilinochchi, a gateway to the rebels' jungle stronghold of Wanni. Reuter - Colombo



Benazir Bhutto and other officials praying for Murtaza yesterday at Larkana, the family's ancestral home

Photograph: Reuter

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Together with a friend you can enjoy a two course lunch plus coffee, worth up to £13, for just £5 each, or a three course evening meal plus coffee, worth up to £18, for just £10 each. Service is included in both prices.

There are 65 Café Rouge restaurants, located in England and Scotland, which are participating in our offer. For further details, see our list below.

How to Qualify
To qualify for the offer, simply collect three differently numbered tokens from the eight we will be printing in The Independent and Independent on Sunday. If you have a Starter Token, it can be used instead of a numbered token, but only one Starter Token can be used to make up your token collection.

Attach two tokens to one of the special vouchers printed in the paper (each of which bears a third token) and take it to your nearest Café Rouge between 30 September and 13 October 1996 inclusive, to enjoy one of our two great offers - lunch for £5 or dinner for £10. You must identify yourself as an 'Independent / Café Rouge Voucher Holder' and present



your voucher and tokens on arrival at the restaurant. You will be given a copy of our exclusive menu, details of which were printed in the Independent on Sunday yesterday and will appear again tomorrow.

Today we print Token 3 and the first of our vouchers; Token 4 will be printed in tomorrow's Independent. Further vouchers will be printed on Thursday 26 and Sunday 29 September.

If you want to try both of our superb offers of lunch for £5 and dinner for £10, you can do so. Just remember to collect three differently numbered tokens plus a voucher for each offer.

Tokens can be redeemed at any time between 30 September and 13 October 1996 inclusive.

Terms and Conditions

1. The offer entitles two people to either Lunch for £5 each or Dinner for £10 each when a voucher and three differently numbered tokens are presented at one of the Café Rouges listed in our promotion.

2. Only one Starter Token can be used instead of a numbered token.

3. The cost of drinks is not included in either offer and a 12.5% optional service charge will be added to the cost of any drinks or purchases additional to the offer.

4. Photocopies of tokens and vouchers are not acceptable.

5. The offer is valid from 30 September to 13 October 1996.

6. For readers who have an Independent/Café Rouge promotional postcard, this qualifies as a voucher. It can be redeemed at any Café Rouge restaurant listed in our promotion, as long as two differently numbered tokens are attached, alongside your Starter Token.

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If you are not sure where your nearest Café Rouge is, simply call 0171 478 8012 for details. Opening hours are Mon-Sat, 10am-11pm, Sun 10am-10.30pm. For city branches, check with your local Café Rouge.

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لأنه من الأصل

It pays to listen to the Liberal Democrats

With a whimper, not a bang, the party conference season has begun. The logos even match the weather: lots of gloomy grey, with the occasional glimmer of damp gold. Paddy Ashdown's podium speech will make it on to the television news bulletins. But most of the media will view this week's Liberal Democrat conference as a practice run for the red and blue political extravaganzas to follow. However, it would be a big mistake to ignore the debates in Brighton. True, Paddy Ashdown will not win the general election. Even in the event of a hung parliament the government is unlikely to march to a Liberal Democrat tune. Compromises will be made, deals done, and Liberal Democrats will temper their policy ambitions faced with the pragmatics of power.

However, it is exactly because the Liberal Democrats are not pursuing victory at the general election that they are so important today. Since they won't have to take responsibility for executing their policies, they can think the unthinkable. And because they don't have to build a majority coalition across the country, they can advocate the unpalatable. Not for them the anguish that convulses Labour and the Tories over unpopular policies which might lose them votes.

Liberal Democrat politicians form an elected national think-tank, bringing legitimacy to new ideas and drawing

them into the political mainstream. Our democracy is much richer for them.

The party has an extremely useful, if slightly curious, double identity. On the one hand, Liberal Democrats are the moderates, tucked between two warring coalitions, avoiding dogma and ideology and talking sense. On the other, they are the party of stroppy little guys, instinctive rebels and outsiders, who can't help themselves reacting against any big institution or broad consensus of ideas.

So the non-conformists among them back unconventional ideas and new approaches to the world. That activists at the Liberal Democrat conference last year wanted to examine the legalisation of drugs should come as no surprise. But their moderate side lends respectability and credibility to ideas that might otherwise be laughed out of sight.

Thus not only can they bounce the Conservatives and Labour into accepting new ideas, they can also persuade the public where the other two parties might fail. Cautious always about the votes they might lose in the run-up to a close election, neither main party is in a strong position to provide national leadership on difficult issues.

Consider petrol taxes. The Liberal Democrats were not the first group to propose higher taxes on pollution and car use. Nevertheless the Liberal Democrat talking heads who kept discussing green taxation on television



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before the last election did raise the issue in the public consciousness. So by the time the Conservative government started pushing up petrol taxes, no one believed they were giving in to the ravings of environmental extremists. The Tories were able to do something progressive, and still sound conservative.

Similarly, the Liberal Democrats have pushed the debate on constitutional reform. Their proposals are not revolutionary; the Queen still reigns in Ashdown's vision of the future. But they have argued for wider institutional change than the Labour Party - calling for proportional representation to elect

the House of Commons, and endorsing regional government with more enthusiasm than Tony Blair has so far done.

On the most difficult political issue of all - taxation - the Liberal Democrat voice is now vital. While Conservative and Labour politicians wouldn't dream of calling for tax rises in the run-up to the election, the Liberal Democrats are still advocating an extra 1p on income tax to spend on education. The fact is that the Liberal Democrats are the only national political party to challenge the prevalent popular view that all tax rises for all purposes are deeply undesirable (and even, as John

Ashdown's party did not exist).

Those who say that British politics isn't big enough for more than two major parties are wrong. There may not be much ideological space between new Labour and left-wing Conservatives, but the political space around them is immense. It is true that the moderate side of the Liberal Democrat identity, eschewing extremism and ideology, is now personified far more effectively in Tony Blair. But the creative, independent, truly liberal side of the Liberal Democrats would be sorely missed if Ashdown's party did not exist.

Ashdown might show a willingness to be aligned increasingly with Tony Blair. But even this is tempered by the increasing illiberal tendencies of some leading Labour figures. And British democracy would be poorer if the Liberal Democrats were submerged underneath a new, Labour-led centrist party. Whether it be providing local government leadership, healthy opposition to both Labour and the Tories at local level, or generating radical new policies for the nation, the Liberal Democrats have an important role to play. We should watch events at Brighton closely this week, not to see the policies of the next government, but because we may see the glimmer of policies for the next millennium.

Roots on Ramsey Street

Our early ancestors had terrible travel agents. Had Judith Chalmers and her pals been around they would have swiftly advised *Homo erectus* to try the delights of the Med rather than the wilds of the Australian outback. Yet newly discovered cave paintings and ancient artefacts suggest that the first human *foray* out of Africa took place down under after all.

But there is another interpretation. Perhaps human life actually started in Australia. Could it be that the overwhelming popularity in Britain of the Codies, Kylies and Toadies of Ramsey Street is just our yearning to get back to our roots?

Elitism behind voting change

Sir: We must be grateful to Polly Toynbee for letting the cat out of the bag over the real reason for introducing proportional representation ("Defectors have only a walk-on part", 16 September).

Forget all the talk of fairness - it's about getting her pals with "qualifications for running the country" into Parliament. Of course they are too self-important to go "clocking up leafletting hours" - that's for the ordinary folk.

And where are these rarefied souls to be found? Obviously not at local level - certainly they won't have bothered to serve their community on a local council or been active in the local party or as a trade union representative. Her ideal candidate will no doubt be found at chic London dinner parties among the chattering classes.

It is this nauseating elitism that was the rotten core of the SDP, and one of the main reasons why it failed. In reality Alan Howard, like the vast majority of his new colleagues in the PLP, is a decent and able MP. His cause will not have been served by the rancid support of Polly Toynbee.
JOHN F SPELLAR MP
(Worley West, Labour)
House of Commons,
London SW1

Publicity for Martini

Sir: I am surprised that a newspaper of your quality should play into the hands of the marketing men at Martini ("Any parts, anyone, anywhere", 19 September).

Apart from its inherent naughtiness, this campaign relies on "stirring up" interest in the media, which they are entitled to do. This type of campaign should be ignored by media and public alike: let others attempt to rule us into noticing their products.

Advertising is becoming more intrusive and irritating and, with our only sanctuary, the BBC, under threat, we should at least make the companies pay to promote their products, not have publicity handed to them on a plate.

SIMON BODECOTT
Kingston upon Hull

Chained women

Sir: What a sad and sorry day for America, with the creation of its first female chain gang ("Women convicts join chain gang", 20 September).

Most of these women were not hardened criminals, being in mostly for drug possession or prostitution.

What new depths can the American right plunge to?
MS SWEN
Hazlemere,
Buckinghamshire

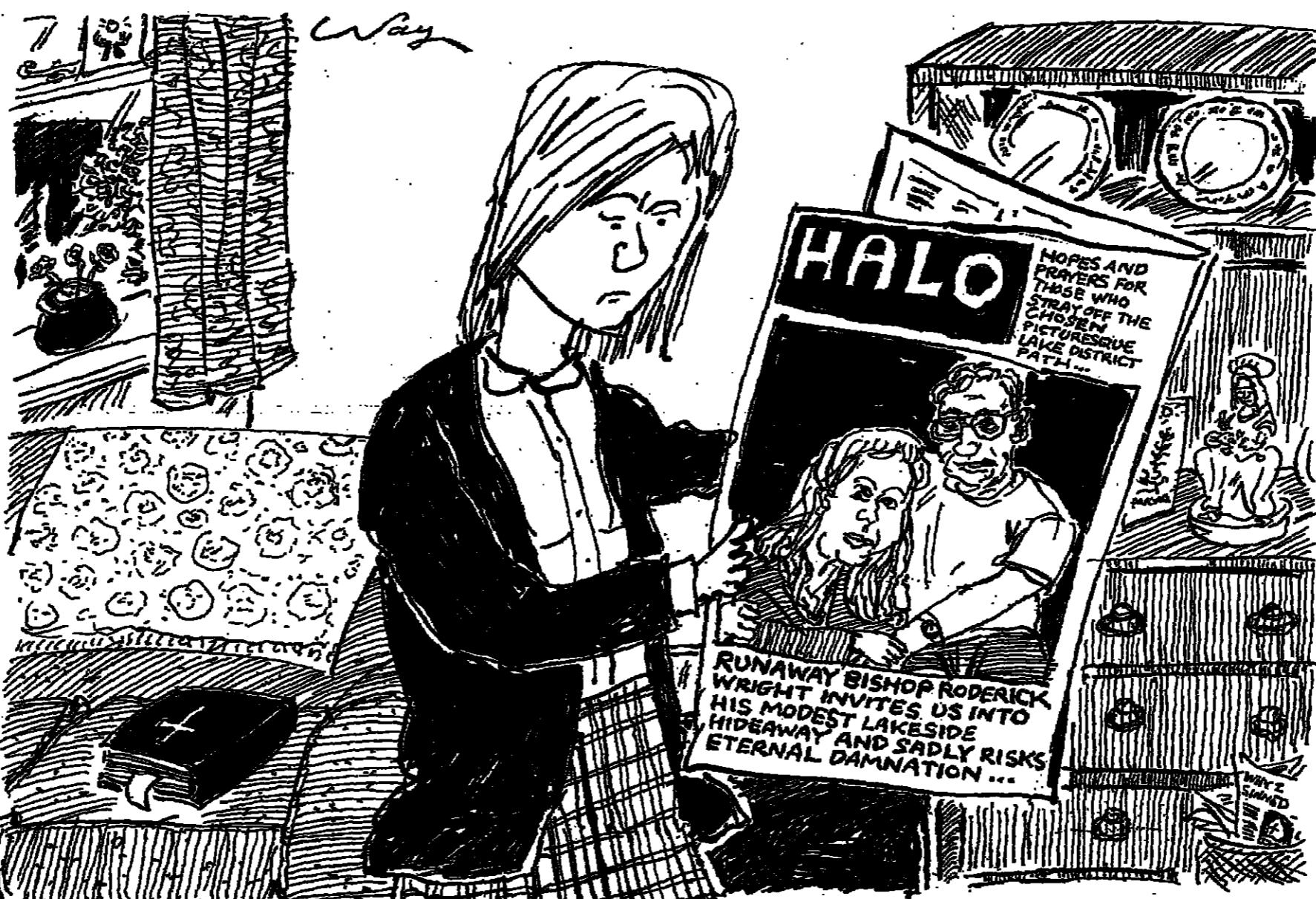
Immoral benefit

Sir: As an upper- but not top-income-bracket single parent, I had my children's allowance paid directly into a building society account, from which I paid for my daughter's (private) school ski trip ("Labour drops over-16 benefit", 21 September).

Surely I am not alone in thinking that this is not a moral use of VAT paid by pensioners on their fuel bills.

GEOFFREY M SAUNDERS
Dorking,
Surrey

LETTERS TO THE EDITOR



Dangers of genetic food-tampering

Sir: Your leading article of 20 September discussed BSE and organic farming and also touched on genetically engineered food. The possible dangers of hasty adoption of such food products make the BSE crisis pale by comparison.

A number of scientists are pointing out that there is no way to predict the full effects of genetically modified foods on humans, animals and the environment.

There have already been cases where people have suffered allergies, paralysis, and death from genetically modified food.

Cross-fertilisation of modified crops with unmodified crops, and the increasing use of herbicides (through plants producing their own pesticides, or being bred to be more herbicide-resistant), will result in irreversible changes to the ecosystem.

At the very least two things are required: a much more rigorous testing of the effects of genetically engineered food; and clear labelling of any products containing such food, including the source of any genes coming from other products, so that people experiencing side-effects or with allergies to the source product can easily track down the cause of their problem.

It is quite shocking that there are plans to bring a large crop of soya beans genetically engineered to resist weedkiller into the country in the next few months.

In one form or another these will find their way into about 60 per cent of the food on supermarket shelves, including baby food.

ANDREW JEDRCZAK
Cardiff

Sir: In his latest address Prince Charles showed a firm grip of reality, pointing out that polls have shown that the public prizes the countryside second after free speech. But Suzanne Moore seems to be beguiled him the latter ("Charles: King of the Legumes", September 20).

What could be more relevant to the present day than to point out that modern farming methods have led to BSE and to the exploitation of farm animals and livestock (such as battery chickens)? Good Duchy of Cornwall products now on sale - cheeses, wine and wheat and oat biscuits - show that Charles is putting his principles into practice.

JENNIFER MILLER
London SW15

Sir: I wonder if Prince Charles ("BSE is an offence against God", says Prince Charles", 20 September) considers his beloved Jack Russell to be an offence against God. There are no Jack Russells, corgis, race horses or Friesian cows in the wild. All of them are "genetically modified organisms".

Not one item in the average supermarket is 100 per cent "natural", especially the fruit and vegetables.

Does Prince Charles develop a cold sweat every time he is offered a seedless grape?

JACK STOCKER
London W14

Sir: Prince Charles was lecturing, by invitation, to the Soil Association, not as Suzanne Moore would have it believe, foisting his unasked opinions on an unwilling world. What's more, no one who has read the difference between

organically grown vegetables and the pesticide-treated, chemically fertilized variety, can be in any doubt that he is right.

When I see what disasters have been caused by chemical and genetic assaults on our planet, I know whose views I prefer.

JOHN ANSTY
London EC1

Vision that drew me from atheism

Sir: Bryan Appleyard ("Catholicism made us what we are", 19 September) perpetuates the false image of a Church besieged, paranoid about its place in the world and defending

"absolutism" against the ravages of liberal relativism. It is not the vision of Christianity which drew me from atheism to Catholicism some 10 years ago.

Anyone attending any of the Christian churches today, or at any time in history, would realise that the real logical consequence of believing in a God who became incarnate is that life is not as simple as "agnostics" make out.

The Gospels do present clear values, and insights on life and life in Christ. However the reality of incarnation is that their application in any given age or culture needs to be discerned, through prayer, as faith, both individual and that of the Church as a community, develops.

Even current "agnostics", like marriage and clerical celibacy, have seen theological and canonical developments over the centuries. Much of the celebrated "philosophical genius" owes more to Aristotle than the Gospels and was rejected in Aquinas's own

time as irredeemably pagan. All Christian denominations have their "liberal" and "conservative" wings.

Christianity is really about a praying, living, growing community, united in that life and growth by a common belief in a God who not only died for us, but also rose again to new life. It is this latter mystery which is the real distinction between Christianity and a purely secular understanding of life.

CATHERINE SHELLY
London SE5

Sir: The religious view of Creation ("God, the British and Runcie", 12 September) is naive and lacks a real cosmic perspective. But the atheistic attitude of the likes of Atkins and Dawkins is also naive. It was Einstein who said: "Religion without science is blind, and science without religion is lame."

REBARNES
Chartered Engineer
Longfield, Kent

Sir: If the possessor of one of the brightest, most subtle and most perceptive minds of his generation ("Twenty-five years of Ireland's Dr No", 20 September) believes in the Devil, the Anti-Christ and God's curses on unbelievers, there can be no hope for the people of Northern Ireland.

One wonders about the beliefs of those afflicted with duller, less subtle and less perceptive minds than Ian Paisley, fire-breathing dragons and fatcats at the bottom of the garden.

ALAN STABLEFORD
Gravesend, Kent

Cheaper single rail tickets

Sir: The problem highlighted by the action of the Rail Regulator, John Swift ("Rail firms block creative journeys", September 20), is the fare structure used on Britain's railway system.

Cheap day returns and other railcard tickets are almost the same price as a single ticket, which is fine for a simple return trip on the same route. But should you want to return by a different route, or do a round trip by visiting somewhere else before returning home, you could find it very expensive or awkward, as you would be forced to buy either overpriced single tickets or unnecessary return tickets.

The solution would be to sell cheap day single tickets at a price much nearer that of half a return ticket, so that passengers could enjoy much greater flexibility, as they do in France. It must be remembered that the train operators' main competition is not from each other but from road and, to a lesser extent, air transport.

DAVID NOWELL
New Barnet,
Hertfordshire

Sir: As the possessor of one of the brightest, most subtle and most perceptive minds of his generation ("Twenty-five years of Ireland's Dr No", 20 September) believes in the Devil, the Anti-Christ and God's curses on unbelievers, there can be no hope for the people of Northern Ireland.

She accuses me of being dishonest, not engaging with her

arguments, and defending the indefensible (or "teachers" as some people prefer to call them). She must have missed the references to Dewey, Adorno, examples of her mis-stating of people's positions, and arguments against her position.

I stated that I had never met a teacher who believed, as she claims the profession does, "that no value or activity can be held to be any better or worse than any other". She replies that some teachers neglect mathematical and grammatical rules - not the same thing. The naughty bit of innuendo.

"It is a great pity Professor Wragg felt unable to accept his invitation to take part in Thursday's *Observer* debate", won't do. Not "felt unable", but rather "was unable". I had been committed for months to lecturing at a national conference of special needs teachers at the very same hour.

Professor E C Wragg
School of Education
University of Exeter

Best way to keep neighbours sweet

Sir: Jack Straw may be right, as you suggest in your leading article of 18 September, to try and reform the law on neighbour nuisance. The Community Safety Order, carrying a possible imprisonment penalty for infringement, is certainly a radical measure. However, it fails to recognise a basic fact: the vast majority of neighbour disputes are two-sided affairs in which problems have escalated, often from small beginnings.

Labour would do well to consider alternatives to measures that run the risk of escalating hostility even further. Mediation, as an effective means of conflict resolution, is increasingly accepted and encouraged in a variety of arenas. In the field of neighbour disputes there are about 25 voluntary mediation services nationwide. These services build consensus in the community by helping neighbours in the peaceful resolution of disputes and by teaching negotiating skills. All services are independent and have the usual resources to raise funds.

What about a pledge to support such measures? Mediation offers a far greater hope for the lasting resolution of conflict than an imposed order such as the one Mr Straw is advocating.

MARION STEVENSON
Chair
Oxford Community Mediation
Oxford

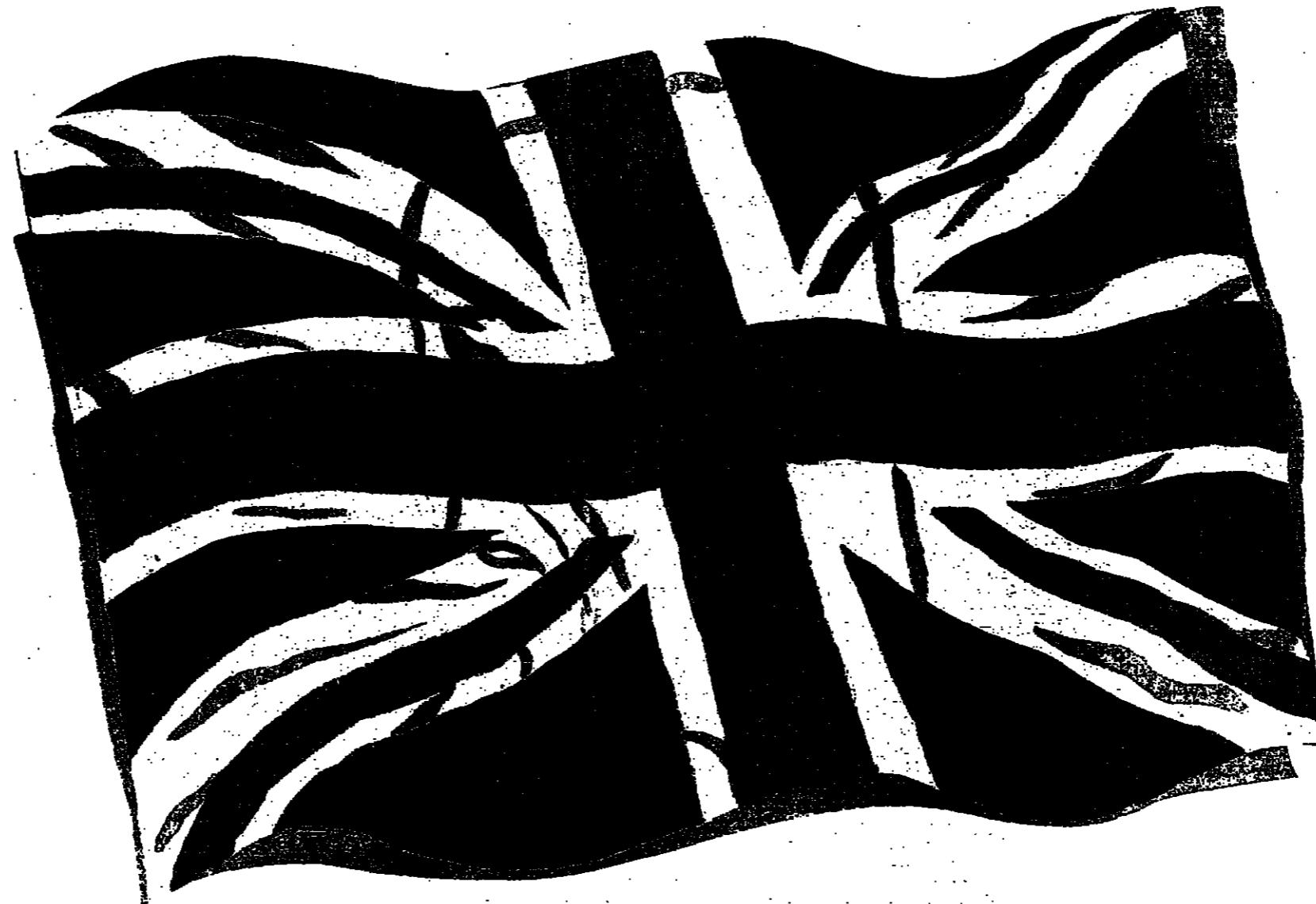
Colour blind

Sir: As a teacher involved with the annual Nativity play, I hadn't realised how ground-breaking our productions were ("Black into white makes theatre history", 19 September). We regularly have black Marys, Asian Josephs and shepherds and kings of every "colour" and of either sex.

The children never had any problems with this as they were acting, ie pretending to be someone they were not. How strange that adults should have such difficulty coming to terms with a concept so easily understood by five- to seven-year-olds.

DIANNO SANKEY
High Bentham, North Yorkshire

The nation in a state



Trust in politicians and confidence in our system of government are at an all-time low, according to a major opinion poll out today. And the prospect of a Tony Blair government does not inspire new hope, argue Stuart Weir and Patrick Dunleavy

In the 1950s, when our sceptical democracy was universally admired, its "great secret" was the deference of the British people. By and large, people were ready to leave politics to the politicians and had confidence in the way they were governed. This was a nation at peace with itself.

Forty years later, the mood of the public is profoundly altered. People no longer have faith in the way they are governed. They distrust government ministers and hold politicians in far greater contempt than they did even a generation ago. And while they now want more power over government policies, they know all too well that they don't possess it and are very pessimistic about their chances of ever obtaining it.

Even Britain's political circles now recognise that there is a crisis of confidence in government, but they largely ascribe it to a popular disillusion with the excesses of Mrs Thatcher's later years, the effects of the recent revelations of "sleaze" in government and Westminster and dismay at the sexual indiscretions of a handful of ministers and MPs. They therefore see popular discontent as a merely transient phenomenon which can be weathered by such palliatives as the Nolan reforms or the Citizen's Charter.

They do perhaps have an inkling of a wider and deeper crisis in confidence. But John Major clearly believes that the

fruits of economic growth will soon re-establish confidence in the morality of Conservative government and Tony Blair apparently thinks it is enough to say "Trust Me". Both men underestimate the huge scale of popular discontent and contempt. The evidence of a remarkable "State of the Nation" survey of public attitudes about the body politic in Britain, conducted this month by ICM for the *Daily Mirror* and Joseph Rowntree Reform Trust, reveals that most people believe it to be very sick indeed.

The misconduct of MPs, the Scott report's revelations of deviant and incompetent ministers and a host of other political scandals and crises - like the BSE scare - have brought about a steep fall in just two years in belief in British democracy itself.

In 1994, nearly three-quarters of people felt that they lived in a "very" or "fairly" democratic country. Two years later, fewer than two-thirds of people believe that Britain is democratic and more than a quarter say it is "not very" or "not at all" democratic.

Both Major and Blair need also to come to terms with a popular contempt for politicians which runs deeper and stronger than either man supposed. The Nolan Committee's need to carry the politicians along with change has fatally flawed its ability to satisfy the public. The fact is that people are overwhelmingly dissatisfied with the new rules governing MPs' earnings outside Parliament. In par-

This contempt for politicians is, in our view, bound up in a wider distrust in the political system altogether. Take the BSE crisis, which most politicians and commentators believe that the Government has ingeniously turned into a populist issue of European interference and German malevolence. At one level this may be so.

But look deeper and what do you find? We asked ICM's pollsters to inquire whether people trusted government ministers and their advisory committees to tell the truth about the safety of food, nuclear installations, "British beef", medicines and safe sex and Aids. On the first three, there was a resounding "no" from three-quarters or

more of the people asked. Some 60 per cent replied "no" on the safety of medicines and even on safe sex and Aids - where the Government has tried, belatedly, to "tell the truth". People are still broadly sceptical (47 per cent said they did not trust the Government's sexual pronouncements compared with 36 per cent to 8 - they reject such special pleading).

People want their MPs to represent their constituency interests and to ensure that the government is efficient and honest, and to take up individual people's complaints and grievances. They are generally against MPs having any sort of employment outside Parliament.

But the most striking evidence of people's contempt for politicians comes in their responses to five questions first asked a generation ago, in 1973, for *Granada Television*. They show that the cynicism count has risen to alarming levels.

In 1973, only two-thirds of people were ready to agree that most politicians will promise anything to get votes; now 81 per cent of people agree. In 1973, just 39 per cent believed that "politicians are in politics for what they can get out of it"; now a whopping two-thirds of the population hold this view. Belief that politicians care what people think has fallen from 48 to 39 per cent.

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There is no sign anywhere, among politicians of all parties (nor among political pundits in the media), of willingness to think through these huge changes in public perception or to think what is now required to restore public faith in the way they are governed.

The two major parties and their MPs believe that they can put their own interests first. After sifting through the evidence, our view is that the first - and most significant - change necessary is to give the public a greater share in political decision-making. For a deepening dissatisfaction, in part fed by disillusion with politics and politicians, is also at work. In this and previous polls we have found that the great majority of people in Britain want a "great deal" or "fair amount" of power over government policies between elections. But very few people believe they possess any such influence. And more than a third of people now believe that they have no power at all over government policies. This mismatch between expectations and reality is damaging the fabric of democracy in Britain.

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Unhappy though they may be, the British people are not resigned to their undemocratic fate. The democratic agenda may well have been inspired by Charter 88 and the "chattering classes" but it is a unifying theme among the population as a whole, and especially among people who intend to vote Labour at the next election.

The great majority want greater checks and balances on government power. Some 77 per cent want a freedom of information act; 75 per cent want a bill of rights, and electoral reform is favoured by a massive three-to-one majority. Three-quarters of the public even want "horror of horrors for the political establishment" - a written constitution "providing clear legal rules within which government ministers and civil servants are forced to operate".

Apologists for political elitism often argue that people do not know what they are "voting for" when they endorse such reforms. They write off the public's willingness to choose far-reaching reforms as a "knee-jerk" reaction. They point to contradictions in public attitudes (as though they themselves are free of such sins). Our experience of interpreting such polls is that the public is far wiser than it is given credit for being. For example, in the midst of the political controversy over the string of court rulings against Michael Howard (and other ministers), we asked people what their views were on the struggle between ministers and judges. Four out of five people agreed that judges must use their powers "to ensure that ministers act within the law". But when we gave people the chance to agree with Richard Sherrard MP, that judges now provided a more effective check on

government than do MPs, the majority wisely preferred not to advance a view at all on such a delicate judgement.

Not surprisingly, therefore, Labour commands wide approval for its pledges to introduce a bill of rights, a freedom of information act, a referendum on the British voting system and the chance for people in England to have elected regional assemblies of their own. Indeed, the promise of a bill of rights comes second only to Gordon Brown's pledges on job creation and above Labour's promises to control inflation and introduce a minimum wage. But Labour's confusion over devolution in Scotland has almost removed past majorities for both Scottish and Welsh devolution in the country as a whole. Just 40 per cent now approve of Labour's plans for an Edinburgh parliament and a mere third believe that it will actually happen.

This loss of confidence is undoubtedly due to Labour's mishandling of the issue, for overall the survey reveals a strong wish for a lot more dispersal of power in Britain. Nearly two-thirds of people believe that "government power" is too centralised and there are clear majorities for the view that regional assemblies or local councils should play a key role in developing major roads, initiating transport projects, cleaning up rivers and beaches, attracting new investment and generating jobs.

A lot, therefore, is riding on the ability and political will of a future Labour government to fulfil its promise to deliver such change. Yet, not unreasonably, after the cover-ups and U-turns on devolution to an Edinburgh parliament, people tend to be sceptical about Labour carrying out its other promises on democratic reform. True, nearly all the people who want a bill of rights believe Labour will deliver. But nearly as many people doubt that Labour will give them free-

dom of information as expect it to come about; and while two-thirds approve the idea of a referendum on voting reform, only a third expect it to be honoured and more are confident that it won't happen.

So Tony Blair's exhortation to trust him is not working. And if he gets in and does not deliver, the long-term consequences could be more far-reaching than politicians and commentators might imagine.

Of course, the crisis of faith in Britain's system of governance is part of a world-wide trend evident since the so-called triumph of democracy after the collapse of communism in 1989. There is evidence everywhere of a loss of trust in political institutions and politicians. There is also evidence throughout the world - from Bosnia to India and even Belgium - of what happens when people lose faith in democracy and its ability to protect minorities against the intolerance of a frustrated and disenchanted majority. The downturn in economic progress and the dominance of neo-liberal economic policies through the world have also played a significant part in this general onset of disillusion. And it is arguable that the immediate post-war period of political contentment in the West was probably atypical.

But it is equally unarguable that the crisis of faith in Britain is unique in significant respects. If so, and we are to restore confidence in British politicians, we must change the system within which they operate, and admit the public into that system.

Patrick Dunleavy is Professor of Government at the London School of Economics and Stuart Weir is director of the Democratic Audit, University of Essex. This is the third major Rowntree "State of the Nation" poll since 1991. ICM interviewed a tightly controlled quota sample of 1,000 respondents in their own homes between 10 and 13 September. At the analysis stage the results were weighted to the exact profile of all adults.

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FREEPHONE 0800 200 210

A PR job on God Almighty? No way ...



Miles Kington

I made one of my occasional trips to London the other day and was delighted to bump into my old friend, who was normally suave himself, as befits the *envelope* grace of British PR.

"Tell me about it, dear boy," I intoned. "What is it this time?"

"Or is Max Clifford the doyen of PR men these days?" I asked him mischievously, as he dragged me into a coffee bar for a strong espresso.

"I have no idea," said Adrian. "Personally, I wouldn't use the word 'doyen'. I never use words which the British public cannot pronounce and do not know the meaning of. Call me the crown prince of

British PR. Call me the vizier of British PR. Call me the Lord High Executioner, the court jester or even the burly midfield sweeper of British PR, but not the doyen. I looked it up once in a French dictionary. It means 'dean'.

Who wants to be called the 'dean' of British PR, or, indeed, the dean of anything?"

"A dean might," I suggested. "The Doyen of St Paul's, for instance?"

"Don't talk to me about churchoon," growled Adrian. "I've had churchoon up to here."

Such vehemence seemed out of character in my old friend, who was normally suave himself, as befits the envelope grace of British PR.

"Tell me about it, dear boy," I intoned. "What is it this time?"

"Just the Catholic Church, that's who," he groaned. "It's this celibacy business. They're in a right old tizzy about these Catholic bishops who turn out to have mistresses and children."

"So what do the Catholic Church want you to do about it?"

"Get them off the hook, that's all," said Adrian. "They

know I'm a great damage limitation fellow. Look at all the rumours about Ted Heath's love life, for instance."

"I've never heard any such rumours, Adrian."

"Of course you haven't, dear boy. Thank Uncle Adrian for that. But this Bishop of Argyll is a shocker."

Deep and sorrowful frown

came across his face, like clouds spelling across England from the west.

They came to me and said, Adrian, we're in big trouble here in the Catholic Church because we have nowhere that naughty bishops can go to and pour out their troubles. Hold on, I said, I thought that's why you invented the confessional." "No, no," they said, "that was invented so priests could learn the facts of life."

"So I said I'd have a quick look into it, and they said not to take too long because at this rate there'd be cardinals coming on the scene with secret children, and then there'd be some huge damage limitation."

"And don't forget," they told me, "that we have somehow got to restore the image of celibacy. Jesus was celibate. We priests model ourselves on him. That must stay the same."

"Anyway, I bought a copy of the Bible and I had a look into this Catholic business and briefed myself on it, and called them back again. I looked at them very seriously and said: 'Gentlemen, you must prepare yourselves for a shock. I think celibacy is about to be blown out of the window. Jesus may well have been a celibate, yes, but it didn't run in the family. You didn't tell me about that.'

They looked at me. They

looked at each other. "What do you mean?" they asked. "I mean, I said, Jesus may have been a good boy, but it's more than you can say for his Father. You never told me that God the father did exactly the same as the Bishop of Argyll. God had a secret love child, and his name was Jesus."

"You should have heard the stunned silence then."

"Think about it," I said. "Mary was never consulted by God about becoming pregnant. He just got her with child. Nor did God have the courage to come and tell her himself that she was in the heavenly family way, but sent an angel instead to spill the beans. Correct me if I am wrong, but God the Father

didn't provide much in the way of maintenance while Jesus was growing up, and didn't show up in the family home much. Nor was he around much in Jesus's last days. Believe me, gents, there seems little to choose between the Bishop of Argyll and dear old God the Father! The Bishop is following a very strong Biblical tradition indeed."

There was a silence.

"And then?" I asked.

"Then they said it was not my job to rewrite Christian history in newspaper headline terms and I said, 'Listen, cardinals, sweeties, if you can find a PR firm willing to represent God, I'll be the most surprised man in the UK! We sometimes have to look after some dodgy clients, but if half of what the Bible says is true, then God is not a person. I would never want to handle, take your business elsewhere and stay elsewhere."

"There was another silence.

"Don't mention this in your column, will you?" said Adrian. "If it got around that I was letting morality govern my conduct, I'd never live it down."

"Promise," I said.

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The stock market and its manifest absurdities



Andreas Whittam Smith

A minor correction is probable. But should one be hoarding food in one's garage?

to erect them. Physical assets are no longer much of a guide. Successful companies are often people and computer screens; and their value may be in their brand names. It would be impossible to calculate Microsoft's replacement value.

Mr Dye is 48 and says that anyone over 40, having been through several stock market cycles, has to be pretty cautious about what is going on. If Mr Dye were ten years older still, he would have been through the only big stock market crash this country has experienced since the war. Between the summer of 1973 and the winter of 1974, the stock market fell all the way back to levels last seen in the Thirties. The least of the causes was the correction of a previous over-valuation. Much more serious were external shocks such as a doubling of the price of oil, a banking crisis and the return of a Labour government that legislated to hold down prices and dividends.

Many boards of directors thought their companies were on the way to bankruptcy. There were crippling strikes and hints of civil unrest in the air. In the City there was galloping humour should one be hoarding timed food in one's garage? That was a real bear market. Today's concerns, with or without Tobin's "q" are minor by comparison. All of which may yet leave Mr Dye exceedingly embarrassed and the pensioners whose money he controls rather unhappy.

A crash would also have political consequences. It would make it almost impossible for the Conservatives to persuade the electorate that they had managed the economy well.

Markets collapse either to correct a great absurdity or to register a great shock. At a certain point in the late Eighties house prices began to appear absurdly high in relation to average salaries; people used to look at the valuation of their own homes and say that they were glad they had bought them some years earlier because they could not have afforded them today. That was absurd and eventually prices declined. And in all markets, whether of pictures, metals, gold, houses or shares, there is a mechanism which produces periodic over-valuation or under-valuation. Greed makes people buy because prices have fallen and for no other reason. At the top or the bottom, some news event turns away the last optimist or the last pessimist and the correction begins. In stock markets this signal is classically a change in interest rates. This is why professional investors are watching the Federal Reserve Bank in New York so intently; later this week it may push up interest rates for the first time after a long decline.

Under the heading of great shocks come such events as outbreaks of war – the Vietnam War, for instance, ended a 20-year period in which all foreign exchange rates

had been tied to the dollar – or wild swings in commodity prices such as oil, or natural disasters. The Kobe earthquake left a dent in Japanese share prices.

I do not see a manifest absurdity in share valuations either in London or New York. Certainly there has been a long rise in share prices in both market-places and ratings are high. A minor correction is probable.

But on the primary test of "what returns do shares provide?" there is nothing untoward. The average dividend on UK stocks is 3.75 per cent; and if companies were to distribute all their profits and plough nothing back, then this return would rise to 6 per cent. In the context of a growing company and subdued inflation, there is optimism here but no danger signal, no amber or red lights flashing.

The pessimists, however, have been examining a much more sophisticated valuation system, and its results scare them. It is called Tobin's "q" and it compares what it would cost today to replace companies' stock market valuation. On this basis, looking right back to 1920, stock market ratings have hardly been higher.

In other words, investors are valuing factories much more expensively on the stock exchange than it actually costs

to erect them. Physical assets are no longer much of a guide. Successful companies are often people and computer screens; and their value may be in their brand names. It would be impossible to calculate Microsoft's replacement value.

In October 1997 BSkyB will launch its new digital service.

Those who buy a new box to sit on top of their television sets (price around £200) will gain access to some 150 channels. What's more, they will get interactive services to them, bank call up films or archive programmes, book tickets or join in game shows. Television will never be the same again. Any Luddites out there who may bleat, "But why do we want this stuff, haven't we got enough already?" will go the way of those who doubted we needed colour TV. We may not need all this but we are going to get it and when we have got it we won't be able to do without it. That is the ineluctable nature of progress. And this is not in some far distant future. This is now.

Stop Murdoch now or forget it

By Polly Toynbee



Unless he is tackled within months, the monster created by the main parties will snatch total control of British television

Murdoch is, as ever, two or three years ahead of everyone else. He has already called for bids from manufacturers to make his magic digital boxes.

Terrestrial broadcasters – BBC and ITV channels 1-5 – have no choice but to compete in this new digital world or they will risk eventual obliteration. But, unless immediate action is taken, the only way BBC and ITV will be able to enter it is on bended knee to Murdoch, at his mercy. He will control how much space and on what channels the terrestrials can enter his digital box. BBC1 could be on channel 322 if he chooses.

Most important of all, he can fix the price he charges ITV or the BBC. Of course, he is a monster created entirely by the Baron Frankenstein of the main political parties. Pusillanimous and self-interested, they have allowed him monopolistic control

will take more than the wits of Ofcom to detect exactly how Murdoch has accounted the costs of his operations and how much he has loaded onto the declared cost of running the system.

There is still a month or two in which to stop this. But it requires public outcry and the shaming of our politicians who are all contaminated by what they have done so far. Fear of Murdoch's power to sway the voters in the run-up to the election through the pages of *The Times*, *The Sunday Times*, *The Sun* and the *News of the World*

has rendered both parties silently acquiescent. Murdoch is a monster created entirely by the Baron Frankenstein of the main political parties. Pusillanimous and self-interested, they have allowed him monopolistic control

of a colossal slice of our media to the serious detriment of democracy and the quality of journalism. Now they are about to hand him the biggest prize of all. His acquisition of the newspapers has made sure he can silence all opposition as he searches these ultimate crown jewels.

How can he be stopped? Murdoch owns the patent on the technology to his own digital system. He should be forced to franchise out that technology at a reasonable rate, so that other manufacturers, independent of Sky, can make a single box to act as gateway to all services, just as one TV set receives all terrestrial channels. There is no doubt that consumers would want one box that will offer every service. This is fair trading. Never has the principle of preventing unfair monopoly been clearer.

But Murdoch is just about to sign contracts with manufacturers of his box. As soon as his ink is on the paper, there will be no going back. The manufacturers will hurry ahead to make his boxes and the game will be over.

None of this has happened by accident. When the Broadcasting Bill was going through Parliament, Labour members on the standing committee agreed to prevent Murdoch getting total control. But when it came to the floor of the House, mysteriously this opposition had evaporated. They may make excuses about other slightly different amendments they preferred etc etc. But the harsh truth is that both parties let the bill pass without denying Murdoch his monopoly.

They will all murmur now that this is better dealt with in technical regulations laid down by the Department of Trade and Industry. Both parties nodded sagely and agreed this course of inaction. The DTI is consulting fully and widely. So fully and widely that, having promised its report by September, it has decided to consult again, produce another draft, consult on that too, and if the timetable does not conveniently slip again, it may get into the Commons by November. But then it will be 40 days before it takes effect – by which time it will be academic. Murdoch will have signed his contracts and it will be too late.

No one party, no one politician will be to blame. Conveniently they will all claim clean hands – or equally dirty ones. By the time the election is over, the future of broadcasting will have been in effect cast in concrete, so even if Labour were to win and to decide (unlikely) to challenge the Murdoch monopoly, it will be far too late.

CONTINUING OUR SERIES ON THE PEOPLE JOCKEYING FOR INFLUENCE AND STATUS IN THE LATE NINETIES



THE NEW ESTABLISHMENT

Day six:

The Royal Opera House

Of all proofs of power and esteem, the chairmanship of Covent Garden is the most potent.

By Peter Popham

Tomorrow evening at 5pm at the Royal Opera House, Covent Garden, Lord Gummer, the new chairman of the board of directors, chairs his first monthly board meeting.

For John Gummer's younger brother, head of Sandwick, the world's biggest public relations company, it's all happening at once: elevation to the peerage, the appointment to run the Tories' election campaign, an *Observer* profile by Lynn Barber... but of all these proofs of power and esteem, the Covent Garden job is the most potent.

The House's board has been seen as the pinnacle of the Establishment for as long as the term has been in circulation. David Mellor said, "I never believed the British Establishment existed until I became a minister and started going to dinner parties where I'd be lobbied about the Royal Opera House." Sir Claus Moser, the mathematician who became chairman in 1974, explained what it meant to enter what Iain Macleod, in a different context, called "the magic circle": "Until I became Chairman of the Royal Opera House I had never, but never, met anybody royal: now I was entertaining them month after month. When I was a frequent visitor to Covent Garden, or even on the board, some people would rarely speak to me. Yet literally the day after my appointment as 'Chairman' was announced, a very distinguished woman who had previously been dead, rang up, to tell me dead, rang up, to tell me dead, and me to spend

the weekend with them in Scotland. From that moment onwards I saw a totally new layer of British life... That is the British Establishment".

In speculating about a putative new Establishment, one runs up against the fact that an Establishment is by its very nature old. Unless it is flushed from the national system by bloody revolution (a glorious one won't suffice), the Establishment cannot be supplanted: it can only be added to or subtracted from.

And perhaps peculiarly in the British case, where the ruling class has had 930 years to refine the arts of survival, it is much harder to marginalise than people fondly imagine. It has, for example, a genius for co-opting those who might prove inimical to it. "The Establishment... has never been exclusive," AJP Taylor wrote in the *New Statesman* in 1953, "rather drawing in from recruits from outside, as soon as they are ready to conform to its standards and become respectable. There is nothing more agreeable in life than to make peace with the Establishment – and nothing more corrupting."

The composition of the board of directors of the House over the past 17 years shows the Establishment's genius for adapting to survive. In 1979, when Sir Claus was still chairman, there was a handful of classic English figures on the board, such as Lord (Mark) Bonham Carter, grandson of the prime minister Asquith, and son of the "divine" Lady Violet Bonham Carter, who

was ubiquitous among the great and good for decades. But such men were more than balanced by brilliant Jewish émigrés: Sir Claus himself, the philosopher Sir Isaiah Berlin, and the master operator of the age, Lord Goodman, chairman of the Arts Council and Wilsonian troubleshooter.

By the mid-Eighties, the Jewish intelligentsia was on the way out and the proportion of Thatcherite corporate meritocrats was climbing: a fly on the wall would have had a duller time of it as the age of the new philistines unfolded.

But if the businessmen brought superior number-crunching skills to the top table, it is doubtful whether the underlying elitist assumptions within Covent Garden about the vital role of monstrously expensive, vastly subsidised opera for the cultural health of the nation were modified at all. The Establishment ethos prevailed.

Spooling forward to the present, one finds a board that has never regained the intellectual wealth jettisoned in the Eighties – today, Barber Gascoigne is about as brainy as gets. The most splashily political director is undoubtedly Bob Gavron (pictured above), who was wheeled out by the Labour Party last weekend when he announced his gift of £500,000, saying, "the days when the Tories were automatically the party of business are over."

Gavron, a barrister turned millionaire printing magnate who claims to have supported Labour all his life, is the perfect

example of new Labour and old Establishment meeting and mating.

He has the robust acceptance of Thatcher's achievements – when Thatcher came in she did what Labour should have done," he says – but his thoroughly wet, paternalistic view of political obligation could have come from the lips of any of the wetts whom Thatcher ousted: "The Government's priority," he says, "should be to look after the people who can't look after themselves."

Whether defined by birth,

brains or money, the House's board still represents a rarefied collection of people.

There's only one exception:

Chris Lowe, headmaster of a comprehensive school in Peterborough, who roars with laughter at the thought that he is *de facto* a member of the Establishment.

An opera nut who discovered his passion while doing

National Service in Germany,

and who has been infusing his

students with it ever since,

Lowe was brought on to the

board in 1992, in a democratising spasm, to work for the House's increased accessibility.

Thus not only is he a genuinely

new sort of voice in the place,

but his mission is new, as well.

In politics, however, it turns

out that Chris Lowe is the

ultimate floater. "I have

absolutely no political affiliation," he says. "I've voted for all three of them in my time."

Lowe may be the authentically

new face of the Establishment

– but he will be of precious little

use to Tony Blair.

She has no-one to turn to but you. Don't let her down.



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obituaries / gazette

James Gulliver

James Gerald Gulliver was an outstanding entrepreneur. He built three businesses and made himself many millions in the process before in 1985 launching the bid for the drinks company Distillers which, for most people, became the defining issue of his life.

He was a man of great ability. Born in 1930 in Cambeltown, Strathclyde, he studied at Glasgow University where he was awarded a First class honours degree in Mathematics and Engineering together with a gold medal. His former tutor Professor Hugh Sutherland described him as one of the most outstanding pupils he had known.

At the time, the £1.9 billion bid for Distillers by Gulliver's company Argyll was the biggest ever in British history. Distillers was the central pillar of the Scottish commercial establishment and Gulliver tracked it for two years before launching his attack. His analysis revealed that it was both undervalued and very poorly managed.

Eventually Gulliver lost Distillers to Guinness, who engaged in wholesale cheating for which three people went to prison. Gulliver died believing that some of the most guilty people had escaped unpunished.

Subsequently great reputations were forged on the anvil of Gulliver's brilliance in isolating what is still regarded by many in the City as the deal of the century.

The Distillers bid motivated him for many reasons. It had scale, status and vast potential for profit but, most of all, Distillers was Scottish.

Gulliver had an ambition which rang high alongside his desire to produce value for Argyle's shareholders and that was to build an energetic world-class company in Edinburgh. By creating such a centre of energy,

he believed that he would be able to play an important part in generating an infrastructure which would relieve talented people like himself of the need to seek their fortunes outside Scotland.

Despite all his previous achievements, Gulliver approached the Distillers bid with a caution which reflected his inner awe at his temerity in taking on such an icon of the Scottish establishment complete with its estates and loyalties forged over decades in country houses and on company-owned grouse moors.

For advice he turned to bankers who reinforced his private insecurities when they told him that he needed the support of an establishment industry figure if he was to succeed. Acting upon their advice, Gulliver permitted an approach to Lord Weinstock of GEC. It was a mistake which began a chain of events that eventually cost him Distillers.

Having put forward the suggestion that Weinstock should sponsor the transaction by taking a percentage, Gulliver was unable to obtain a formal response for some three weeks. He was told that Weinstock was at a music festival in Germany and could not be disturbed. In the meantime, the Distillers share price rose on rumours which leaked with usual City ferocity to a point at which Gulliver began to re-consider his position.

At that moment, he was approached by a journalist who asked him about the rumours. Using carefully selected words, and acting again on legal and other professional advice, Gulliver told the journalist it was not his "present intention to bid".

Accurately, his advisers had told him that, on the basis of precedence, such a statement would put him in baulk for

three weeks. He was told that at the end of that time, he would be free to bid, having re-evaluated his position.

But the Takeover Panel took a different view and under the then Director General, Tim Barker, it imposed a three-month ban. During that enforced lull, Ernest Saunders of Guinness made his preparations and later launched the attack which eventually won.

The overall performance of the Takeover Panel during the bid badly denting Gulliver's regard for City self-regulation. As a man with a great regard for authority and tradition, he was disconcerted when, by coincidence, Tim Barker left his job at the Panel the very weekend the three-month ban was lifted to join his old bank, Kleinwort Benson, who were Distillers' advisers.

Neither Gulliver nor anyone else cast doubt upon Barker's integrity but Gulliver took the view that a system which allowed such things to happen could not be a good one. He also believed that the Panel refused to recognise the obvious manipulation of the Guinness share price when it was perfectly clear – and was drawn to the Panel's attention – that the share price was simply levitating. He deemed it confirmation of his view that self-regulation had failed when it took Department of Trade inspectors to discover what had really been going on.

It may be that Gulliver had started to lose his appetite for business well before he launched his bid. Subsequently he became involved in a number of public company ventures but he could never again generate the enthusiasm and consultants Urwick Off-

A Fine Fare was being appointed manager of a shopping subsidiary which he turned round with such brisk efficiency that he came to the attention of Associated British Food's chairman Garfield Weston. Bringing his capacity for analysis and detail to bear, he became chairman of Fine Fare and worked closely with people such as Kenneth Gill of the advertising agents Garland, Compton to introduce mass media advertising. He also brought in information technology at an early stage. His introduction of scientific management techniques represented an innovation in retailing which was complemented by Jack Cohen's seat-of-the-pants approach at Tesco. Together these two very different men laid down the ground rules for modern supermarket retailing.

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round with such brisk efficiency that he came to the attention of Associated British Food's chairman Garfield Weston. Bringing his capacity for analysis and detail to bear, he became chairman of Fine Fare and worked closely with people such as Kenneth Gill of the advertising agents Garland, Compton to introduce mass media advertising. He also brought in information technology at an early stage. His introduction of scientific management techniques represented an innovation in retailing which was complemented by Jack Cohen's seat-of-the-pants approach at Tesco. Together these two very different men laid down the ground rules for modern supermarket retailing.

Michelin star, is recognised as one of the finest country hotels in the UK, and his two farms at Pitlochrie in the County of Fife are fantastically neat models of their kind.

But if Distillers was Gulliver's final big commercial parl-

er, his opening scene was Fine Fare, a subsidiary of Associated British Foods, which he joined following a short-service commission in the Royal Navy and four years with management consultants Urwick Off-

ice. A Fine Fare was ap-

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Spotlight turns on to second liners as the City awaits a retreat

With blue chips hovering around their best levels and the Footsie surely on the verge of topping the magic 4,000 points, the cries for investment caution are growing louder.

Even Richard Jeffrey, of Charterhouse Tilney, who has been advocating 4,000 for some time, reckons the stock market is now looking fully valued.

He says: "While this does not rule out further progress this year, we believe that high ground will be hard to defend."

And a raft of leading strategists take the view the market has peaked and will fall in the remaining months of the year.

They are either prepared to ignore the possibility of the traditional Christmas rally or foresee a sharp decline and then festive joy from a lower base.

Last week, at a time Footsie was seriously challenging 4,000, NatWest Securities

pointedly reiterated its 3,700 year-end forecast and said clients should sell into strength.

ABN Amro Hoare Govett is also on 3,700, and UBS is shooting for 3,800. Goldman Sachs expects Footsie to fluctuate in a 3,650-3,950 range for the rest of the year.

Such views may bring some comfort to arch bear Tony Dye, fund manager at PDFM. He has already unseated his clients by banking on cash rather than equities and missed the bull market.

But to make the Dye thesis plausible and – more importantly – rewarding, a dramatic retreat is necessary.

Few experts are prepared to talk in terms of a pending crash; they prefer "correction" which could mean a modest Footsie retreat.

David Schwartz, an expert follower of the market who is based at Stroud in Gloucestershire, seems in tune with

the policy of the PDFM investment chief.

In his latest newsletter he again warns that the next big share move is down.

"Many long-running historical trends continue to send a very clear message – that the UK stock market is at or very close to its high point for a bull market," he declares.

But, hedging his bets, he adds: "As most investors know, history also teaches that the market doesn't always play by our rules."

The fact the odds favour a down-move does not guarantee one will occur... the favourite does not always win at the races."

One of the influences Mr Schwartz cites for his bearishness is the "five-quarters rule". The market looks like completing the remarkable achievement of moving higher for a record nine quarters in a row.

This century there have been

only 12 gains which ran for five quarters or more.

Mr Schwartz observes: "As far as this indicator is concerned, history is signalling

very low odds of further rises occurring in the near future."

After each of the 12 gains, shares disappointed for at least the next nine months.

He points to the rally which followed Britain's ERM retreat four years ago. When, after five heady quarters, shares ran out of steam, prices fell sharply for a time and then experienced a weak nine-month run.

Should blue chips give ground, is there a case for switching into second liners?

The FT-SE 250 index, covering the next batch of shares after the 100 Footsie stocks, had a splendid run in the first four months of the year, peaking in April. Since then it

has not matched its peer index and is still 140 points from its high.

At Panmure Gordon, strategist Ian Williams is pondering whether the so-called mid caps can fight back.

As the economy grows it should be positive for companies with high domestic exposure – and there are proportionately more outside Footsie.

So the move back to second liners, he concludes, could be the story for next year.

Allan Collins at stockbroker Redmayne Bentley is inclined to agree. "With profits now being taken in the leaders, it may be that attention will switch to the mid-cap and take the 250 index up to challenge the peak," he says.

The interim profits season has so far, not caused any anxiety. This week's reporting list is rather less crowded than in the past two weeks.

Guinness holds centre stage.

There are worries about the strength of the spirits market. Michelle Proud and Graeme Eadie at NatWest point out that for the past six half-year periods Guinness has showed a decline in spirit profits.

But they add: "We believe we are now close to the point where we will see a change of direction, with profits starting to turn back upwards."

They do not expect any change this week but suspect an upturn could occur in the second six months and feel "there is now potential to be surprised on the upside".

An advance "will trigger a spell of share price out-performance much needed for a stock which has underperformed the market by 20 per cent over the past year".

Profits are expected to emerge around £350m, a rather sober 3 per cent advance. The dividend, however, should be lifted by, say, 10 per cent to 4.6p.

Bernard Arnault, the French tycoon with more than 20 per cent of Guinness, is, no doubt, not the only shareholder dismayed by Guinness' share performance.

He has suffered the additional hit of adverse foreign exchange movements. There is a belief he would like to end, or at least dramatically curtail, his Guinness share involvement and, if NatWest is on the right lines, he could have an opportunity to reduce his interest.

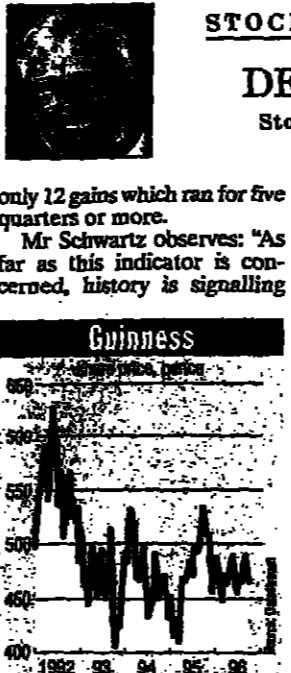
He has already placed one batch of shares and could be looking in the short term to cut his stake to at least 15 per cent to help finance his other business ambitions.

Others reporting this week include Inchcape, where around £280m at the half-way stage against £83.3m is expected, and housebuilder Barratt Developments, with year's profits of £50.5m (£47.1m).

STOCK MARKET WEEK

DEREK PAIN

Stock market reporter of the year



Guinness

Price per share £4.60

Dividend per share 10p

EPS 10.5p

PE ratio 40x

Market value £50.5m

EPS growth 3%

Dividend growth 10%

EPS forecast 11.5p

Dividend forecast 11p

EPS 1997 forecast 13p

Dividend 1997 forecast 13p

EPS 1998 forecast 15p

Dividend 1998 forecast 15p

EPS 1999 forecast 17p

Dividend 1999 forecast 17p

EPS 2000 forecast 19p

Dividend 2000 forecast 19p

EPS 2001 forecast 21p

Dividend 2001 forecast 21p

EPS 2002 forecast 23p

Dividend 2002 forecast 23p

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Dividend 2041 forecast 101p

EPS 2042 forecast 103p

Dividend 2042 forecast 103p

EPS 2043 forecast 105p

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